Austria ... Sch. 15	Indonesia . Rp 2500	Philippines . [illegible]
Bahrain .. Din 0.650	Italy ...... L 1100	Portugal .. [illegible]
Belgium ... BFr 35	Japan Y650	S. Arabia .. [illegible]
Canada ... C$2.50	Jordan ... Fils 500	Singapore . [illegible]
Denmark .. DKr 7.00	Kuwait ... Fils 500	Spain ... [illegible]
Egypt .... E£1.00	Lebanon .. L£ 6.00	Sweden .. [illegible]
Finland ... FmK 5.00	Luxembourg . LFr 35	Switzerland .. [illegible]
France ... FFr. 5.00	Malaysia .. Rgt 4.25	Tunisia .. Din 0.600
Germany . DM 2.00	Morocco ... Dh 6.00	Turkey .... L 160
Greece ..... Dr 60	Netherlands . Fl 2.25	U.A.E. ... Dh 6.50
India .... Rup. 15	Norway .. Nkr. 6.00	U.S.A. $1.50

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FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,049 — Friday April 15 1983 — D 8523 B

Why Reagan's peace plan is in trouble, Page 18

NEWS SUMMARY

GENERAL

Adelman confirmed in U.S. arms post

THE U.S. Senate yesterday confirmed Kenneth L. Adelman as director of the Arms Control and Disarmament Agency. The vote was 57-42.

UK climbdown

The British Government yesterday yielded to weeks of public pressure and promised to alter the Police and Criminal Evidence Bill to ensure that the police do not have access to confidential personal records. Page 8

Mrs Walesa freed

Danuta Walesa, wife of Solidarity leader Lech Walesa, was freed by the Polish authorities after 2½ hours of questioning about her husband's activities.

Floods recede

Emergency measures were lifted in Eastern France as water from the Rhine area began to recede. In Germany, the centres of Cologne and Bonn were still under water.

FT man returns

Anthony Robinson, Moscow correspondent for the Financial Times, and Squadron Leader David Williams, assistant air attaché at the British Embassy in Moscow, flew into London last night after being expelled from the Soviet Union. Page 20

Executive freed

Texas Oil Company executive Kenneth Bishop was freed five weeks after being kidnapped in Bogota.

Ambassador expelled

Finland asked North Korean ambassador Yu Jae Han to leave the country because it said he had broken Finnish laws and diplomatic custom.

Dioxin charge

West German environmentalist Greens party said it was filing charges against two companies involved in the disposal of toxic dioxin waste from a factory explosion in northern Italy.

Visa refused

Rev Philip Morgan, secretary-general of the British Council of Churches, was refused a visa to visit Argentina as a gesture of reconciliation between the countries.

Farm policy protest

Italian police fired tear gas to disperse hundreds of Italian farmers who blocked the Brenner Pass for six hours in protest against the European Community's farm policy.

Mafia killings

Seven men, including two Mafia bosses, were murdered in Sicily, renewing a spate of violence in which five people died earlier this week. Police arrested 60 people in the Palermo area.

War criminal shot

A Russian accused of helping in the massacre of villagers during the Second World War was executed, a Soviet newspaper said

Briefly...

Three Poles on Mediterranean cruise asked for political asylum in France.

Europe's communications with South Africa were cut after a submarine cable was damaged.

Talks on capping shattered Iranian oil wells were again postponed.

KGB arrested two human rights activists in Estonia, emigre sources said.

BUSINESS

Bayer profits down by 14%

● BAYER, West German chemical and pharmaceutical company, announced pre-tax profits for the parent company down 14.3 per cent to DM 735m ($320m). The world-wide group's profits plunged 30.9 per cent to DM 970m and the company warned it would have to cut its dividend. Page 20

● TOKYO: Nikkei Dow index rose 73.77 to 8554.21, a new record, and the Stock Exchange index was up 6.23 to 619.58. Pages 37, 40

● WALL STREET closed up 8.61 on 1165.25. Page 37; full share listings, Pages 38-41.

● LONDON: FT Industrial Ordinary index was up 1.8 to a new high of 688.9. Government securities were largely unchanged. Page 37; FT Share Information Service, Pages 42, 43.

● GOLD rose $6.5 to $436 in London. In Frankfurt it rose $5.25 to $435.5 and in Zurich it was up $6 at $435.5. In New York, the Comex April settlement was $438.20 ($432.50). Page 41

● STERLING closed up 40 cents at $1.5405 and was also up at DM 3.76 (DM 3.75), FFr 11.26 (FFr 11.2225), Y367.25 (Y366.5) and was unchanged at SwFr 3.1575. Its trade-weighted index was 82.4 (82.8). In New York, sterling closed at $1.5457. Page 44.

● DOLLAR improved slightly to DM 2.4385 (DM 2.438), FFr 7.31 (FFr 7.3075) but eased to SwFr 2.049 (SwFr 2.053) and Y238.25 (Y238.3). Its trade-weighted index was 122.7 (122.4). In New York, the dollar closed at DM 2.4325; FFr 7.2975; SwFr 2.0430; and Y2.3795. Page 44

● FT Gold Mines index climbed 18.3 to 640.6, its best level since February 22, on the strong bullion price and a continuing stock shortage. Page 37

● FLEXI-VAN, New York-based transportation leasing company, reinstated David Murdock, West coast financier and major investor, as chairman at a special board meeting. Litigation between the two parties is being dropped.

● ALFA-LAVAL, Swedish farm equipment and process engineering group, will make a private share placement in the UK to raise SKr 200m ($26.8m). Page 21

● BOLIVIA began negotiations for a new loan from the IMF and a rescheduling of debt. Page 7

● EGYPT and Jordan agreed to resume trade relations after four years. Page 6

● SWISS unemployment fell by 7 per cent from the February level to 25,868 or 0.8 per cent of the workforce.

● WEST GERMAN metal and engineering workers in Hesse signed a 3.2 per cent wage rise agreement.

● IVECO, Europe's second largest truck producer, managed to break even last year, managing director Giorgio Manina said.

● MEAD, U.S. forest products, distribution and computer-based services group, announced a $12m loss for the first quarter compared with a net profit of $13.8m for the same period last year.

● PPG INDUSTRIES of the U.S. reported first quarter earnings up a third to $32m.

● NORTH American Philips, U.S. affiliate of Dutch electrical giant N.V. Philips, showed first quarter profits up from $12.3m to $13.02m.

● FRENCH prices rose by 0.9 per cent in March, bringing the increase over the first three months to 2.5 per cent – 10 per cent annually.

● BELGIAN Finance Minister Willy de Clercq forecast a substantial turnround in the country's balance of payments.

Spain forces banks to cut liquidity by $1bn

BY DAVID WHITE IN MADRID

SPAIN'S Socialist Government yesterday brought out measures to mop up more than $1bn worth of liquidity from the banking system in order to reinforce its efforts to bring inflation down from last year's level of 14 per cent.

The measures, announced in yesterday's Official Bulletin, require private commercial and savings banks to place a further 1 per cent of their deposits in compulsory accounts at the Bank of Spain.

This is expected to result in higher interest rates for the Banks' standard lending operations, to compensate for the impact on profits. Spanish stock markets, where trading is dominated by bank shares, dropped sharply yesterday after the measures.

The increase is on the deposits which banks have to place at the Bank of Spain's base rate, currently 8 per cent. This quota is raised from 3 to 4 per cent of their total deposits.

Their compulsory deposits in non-interest-bearing accounts were raised, amid protests from the banks, by a full percentage point to 6.75 per cent last December, as part of the peseta devaluation package brought in by the incoming socialist administration.

The latest measure is aimed at keeping money supply within the new Government's target of a 13 per cent increase this year.

The Spanish authorities have opened criminal proceedings against Sr Jose Maria Ruiz-Mateos, former chairman and majority shareholder of Rumasa, Spain's largest holding company which was expropriated by the Socialist Government in February. Possible charges include tax and social security fraud, currency offences, and falsification of documents. Page 20.

It comes into force on April 20, coinciding with the maturity of 435bn pesetas ($3.2bn) worth of official shortterm paper known as monetary regulation certificates. With interest on these certificates standing at around 16-17 per cent, the raising of the compulsory deposits provides the government with a cheaper way of removing some of the excess liquidity.

At the same time, however, the authorities are scaling down the amount banks are committed to devoting to financing operations of more than three years.

Under a 1981 regulation, this was to be brought up to 7 per cent of their total deposits. This target has been reduced to 6 per cent in order to comply with laws governing bank obligations.

Apart from compulsory deposits and long-term finance quotas, Spanish commercial banks normally have to place 21 per cent of their deposits in state-directed investments, including export credits.

Bundesbank expects protracted industrial recovery

By Stewart Fleming in Frankfurt

IMPORTANT sectors of the West German economy are still structurally weak and need sustained investment through a recovery in corporate profits, according to the Bundesbank in an analysis of the domestic economic outlook.

German groups must apply technical innovations rather than worry about research expenditure, where West Germany is above the international average, the central bank's annual review suggests.

Although the Bundesbank shares the general optimism that the cyclical recession in the German economy has bottomed out, it is concerned about shifts in the structure of national income, particularly the declining share of profits and investment.

The latest survey of corporate plans by Ifo, the Munich-based economics institute, underlines some of the Bundesbank's fears. It agrees that there has been an upturn in business confidence since October and that industrial production will rise very gradually during this year and 1984, but not sufficient to match 1979 levels.

Ifo concludes that overall industrial output will be down 2 per cent in 1983 compared with 1982 because of the very low starting point for the upturn. It considers that industrial employment will continue to decline not only in 1983 but also into 1984 and that although capital spending will recover in nominal terms, the West German economy is not entering into a new investment spending cycle.

On the contrary, Ifo warns that real capital spending after stagnating this year could fall in 1984.

Capital investment and its relationship with corporate profitability is at the heart of the Bundesbank's unease.

For 1982, provisional Bundesbank indications are that corporate profits stagnated (after declining in 1981) and that net income in the corporate sector has fallen below the depressed level during the 1974/75 recession.

The central bank says that a recovery in profits and in the equity capital base of the corporate sector is essential if satisfactory growth and employment levels are to be reached, adding that a variety of ways will have to be employed to attain this goal.

It hints that wages and social security costs will have to decline as a share of national income

Bundesbank on Third World debt, Page 3

Hawke wins accord on wages policy

BY MICHAEL THOMPSON-NOEL IN CANBERRA

AUSTRALIA is to centralise wage fixing under an agreement hammered out between unions, employers and Government at the national economic summit initiated by Mr Bob Hawke, the country's new Labor Prime Minister.

In return, the unions agreed to postpone their demand for a return to real wages growth, and employers are to show "restraint" on corporate dividends.

A temporary freeze on dividends is likely, in order to match the national wages freeze currently in force. A tripartite statement of accord issued last night at the end of the four-day summit said the employers also accepted "that the Government has a mandate to establish a price surveillance mechanism."

The outcome was seen as a personal triumph for Mr Hawke, who scored a landslide general election victory last month. His success lay in drawing the employers in to the prices and wages policies already agreed between Labor and the Australian Council of Trade Unions.

According to the communique, "an effective incomes and prices policy is essential if an expansionary fiscal policy is to be pursued, without adverse consequences for inflation." But the wage fixing mechanism to be adopted will be left to the Conciliation and Arbitration Commission.

Restraint on other non-wage incomes is also expected, while the Government will undertake a review of industrial relations legislation.

Mr Hawke will also press ahead with stimulatory measures promised in the election campaign. They include a major house building programme, as well as other job creation plans.

The only dissenting note in Canberra last night was struck by Mr Joh Bjelke Petersen, the National Party premier of Queensland, who said his state could not endorse Mr Hawke's "blank cheque approach."

He said the communique was "much too broad" and made no reference to an extension of the wages freeze, as asked for by employers. However, Mr Bjelke-Petersen is becoming increasingly isolated politically. Queensland and Tasmania are the only two states not controlled by Labor.

Despite Queensland's defection, Mr Hawke was greeted with a standing ovation in Canberra by the massed forces of industry," and backing from their side for the measures was unanimous.

Mr Don Hughes, president of the Confederation of Australian Industry, said: "We came to this summit with high hopes, and our high hopes have been realised." Mr Cliff Dolan, the ACTU president, said he thought the conference was a success.

Yesterday's developments mark a dramatic break with the five weeks' of relative political quiescence since Mr Hawke's election victory, which itself came only a few weeks after he had won the leadership of the Labor party.

Before the summit, Mr Hawke said its main aim was to help foster an attitude of national cooperation and consensus following what he called the divisiveness of the seven-year rule of Mr Malcolm Fraser's Liberal-Country Party coalition.

UK banks cut base rates to 10%

By Max Wilkinson, Economics Correspondent, in London

UK clearing banks all lowered their base lending rates from 10½ per cent to 10 per cent yesterday in response to a second signal from the Bank of England, but further cuts seem unlikely at present.

Interest rates in the money markets and yields in the gilt-edged market have been declining since Easter, but the authorities have been slow to follow the markets down with their key dealing rates.

This suggests that they will not permit base rates to be lowered again for some time. The reasons are:

● Money supply figures for March, issued by the Bank of England yesterday, showed bank lending is increasing fast and the main monetary indicators are expanding at rates which would threaten to breach the official target.

● Government borrowing in March was about £1.3bn ($2bn) more than had been expected. Yesterday Mr Leon Brittan, the Financial Secretary to the Treasury, told MPs the public sector borrowing requirement for 1982-83 could be significantly higher than the Treasury was predicting in March.

● The authorities may also fear that the recent strength of sterl-

Continued on Page 20

Editorial comment, Page 18; Lex, Page 20; Bank lending figures; Finance Bill; Queues lengthen for mortgages, Page 8; Money Markets, Page 44

Government and Elf move nearer chemicals deal

BY PAUL BETTS IN PARIS

THE FRENCH Government is preparing to meet the main demands from Elf-Aquitaine before the company assumes a pivotal role in France's troubled chemicals industry.

M Albin Chalandon, Elf's chairman, said yesterday Elf had originally baulked at the prospect of bailing out the country's chemical industry which, with the steel industry, is one of France's industrial crisis points.

The main components of this restructuring involved Elf taking over a substantial part of the chemicals business of the Pechiney-Ugine-Kuhlmann group and assuming full control of the chemical ventures Elf jointly owns with Total.

M Chalandon said the Pechiney problem had been resolved with the French Government agreeing to assume the accummulated debts of about FFr 3bn ($411m) of the PUK chemical operations. These PUK operations will be divided between Elf, the nationalised Rhône-Poulenc chemicals company and CDF, the national coal company.

"One of the conditions we made was that Elf should not have to pay for anything of the past," M Chalandon said referring to the heavy losses and financial drain the chemical restructuring programme could entail for Elf.

He said negotiations with Total, the other large French state oil company, were also making progress. Elf and Total jointly own two chemicals companies – ATO and Chloe. M Chalandon indicated Elf would take full control of the two companies, although talks were continuing on the financial aspects of the transactions.

M Chalandon said he had asked the Government for financial assistance to finance Elf's chemical investments in the next three to four years. "We are near to a solution on this." He suggested ERAP, the state holding company which is also Elf's controlling shareholder, could provide the necessary financial support.

The Elf chairman, whose mandate expires next June, said under the right circumstances the company's new enlarged chemical operations could become profitable by the end of the decade. But he warned of "severe measures" – implying redundancies. He also said he was interested in finding a foreign partner to collaborate with Elf in the chemicals business.

M Chalandon defended the controversial $2.5bn aquisition by Elf of Texasgulf, the U.S. mining and energy company. He said Texasgulf, which could eventually become one of the world's dominant suppliers of phosphates, gave Elf an industrial foothold in the U.S. market.

Elf had wanted to buy originally the U.S. energy group, Kerr-McGee, but an eventual bid was blocked by the former government of President Valery Giscard d'Estaing. Elf had subsequently looked at Ashland Oil, but then Texasgulf came as a good business opportunity, he said.

In terms of exploration and production, M Chalandon emphasised the need for Elf to produce profitable as well as abundant quantities of oil. He said the U.S. was the best place to make money from oil. Elf has thus embarked on a pro-

Continued on Page 20

Sharp earnings and sales rise for IBM

BY PAUL TAYLOR IN NEW YORK

INTERNATIONAL Business Machines (IBM), the U.S. computer and office equipment manufacturer, yesterday reported a 44.5 per cent surge in first quarter sales and a 23.6 per cent increase in net income.

IBM's net income increased to $976m or $1.62 a share compared to $789m or $1.33 a share in the same period last year on gross income which increased to $8.29bn from $7.066bn.

The largest gain in gross income came from equipment sales, which increased from $2.747bn to $3.97bn reflecting continuing strong sales of IBM's large-scale processors, the 3380 direct access storage devices and sales of the company's personal computer.

Rentals in the quarter fell from $2.847bn to $2.579bn. Service income increased to $1.738bn from $1.472bn.

Mr John Opel, chairman of IBM, said: "Our business is off to a healthy start in 1983. The recent announcements of new display products, new models of the personal computer, the Series 1 and System 38 processors and a new tape subsystem should continue to have a positive effect on new order activity in 1983."

Shipments of advanced large scale processors and the 3380 access storage devices continue to be very strong.

IBM said worldwide net installations are significantly above 1982 levels and net orders are well ahead of last year. Both U.S. and non-U.S. operations realised good rates of growth in gross income over the previous year, the company said.

The growth rate in earnings before and after income taxes from operations outside the U.S. was particularly strong compared with last year. Major factors behind this increase were significant shipments of large-scale processors and storage products.

IBM also noted that after tax margins increased to 11.8 per cent in the first quarter from 11.2 per cent in the same period last year.

The first quarter earnings and gross income figures were broadly in line with Wall Street expectations although some analysts suggested that they could have been still higher.

Data Logic buys Altergo companies

By Jason Crisp in London

DATA LOGIC, a UK subsidiary of Raytheon, the giant U.S. electronics group, has bought two of the main subsidiaries of Altergo, the leading British software company which went into receivership last week.

Data Logic is one of the UK's largest computer systems companies with sales of £25m ($38.4m) and staff of 700. It bought the two Altergo subsidiaries because of their expertise in programming IBM computers.

Mr Mike Brinsford, Data Logic's marketing director, said last night: "Over the last three to four years we have been building up our own expertise in IBM computers. With the Altergo companies we will be the largest independent supplier of IBM software in the UK."

Data Logic has offered jobs to 90 per cent of the 150 Altergo employees made redundant earlier this week. Yesterday it interviewed the remainder and may offer them jobs within Data Logic.

Date Logic bought in late 1977, is the largest software group within Raytheon, which is a major suppli-

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CONTENTS

Pay-TV proposed in Norway

By Fay Gjester in Oslo

A PLAN to establish pay-TV in Norway from January, 1985, using part of the capacity the country has been offered on the European communications satellite (ECS), has been put forward by the Norwegian state broadcasting company, NRK.

Programmes initially would consist largely of purchased material. British-made television plays and series, very popular with Norwegian viewers, would be used extensively, according to Mr Bjartmar Gjerde, the director of broadcasting.

The channel would be administered by NRK but paid for entirely by subscriptions from viewers. The initial capital needed would be borrowed, so that no government finance would be required.

The scheme has taken the authorities completely by surprise. Opposition Labour Party reactions have been mostly positive. Some MPs of the ruling Conservative Party, however, have criticised the proposals as an attempt to "grab" the ECS facilities and maintain NRK's monopoly.

Norwegian law does not allow radio or television advertising, but Mr Lars Roar Langslet, the Minister of Culture, is believed to favour lifting this ban.

Portuguese look for a leader who will not flinch from reality

Diana Smith in Lisbon explains why the voters are prepared to swallow bitter medicine

ONCE AGAIN the walls are plastered with campaign posters, pasted over nine earlier layers worn by time and weather. For the tenth time in the eight years since they have had universal suffrage, the Portuguese are going to the polls.

The date chosen for the General Election is April 25, the ninth anniversary of the Left-wing military coup which rid Portugal of the tired Right-wing dictatorship that had isolated her from Europe's mainstream for 48 years.

After the coup, before formal democracy could be consolidated, the Portuguese were dragged against their will halfway along the bumpy road to a Leninist "popular democracy" by the only political body sufficiently organised to rush into the vacuum: the rigidly-orthodox Communists.

The revolutionary chaos that followed left a bitter aftertaste for many Portuguese, and not only those on the Right. They now voice their regrets that there was a coup, and seem to believe they would be better off under a paternalistic, disciplinarian regime.

This hankering after what they remember as the safety of stern rule has more to do with economic discomfort than political conviction however. For nine years Portugal has been exposed to the hard knocks of Western economic competition, after half a century of captive colonial markets. Individual buying power and business stability have been considerably damaged.

The 14 post-coup governments and their varying success in coping with the country's mounting economic crisis have apparently left many of Portugal's 7m voters with the impression that politics is something best ignored.

A glimmer of hope dawned in 1979 when the late Sr Francisco Sa Carneiro, called by one reluctant admirer Portugal's "last fighting bantam cock," won a snap General Election on an ambitiously reformist platform. A diminutive, boundlessly energetic political entrepreneur with a gift for inspiring others to work as hard as he did, Cr Sa Carneiro headed a coalition of Social Democrats, Christian Democrats and Monarchists.

Tragically, Sr Sa Carneira died in the blazing wreckage of a small aircraft which crashed in December 1980. It was crushing enough for the Portuguese, whose hopes of a better future had been aroused, that they had lost a leader who was tough but democratic: worse still that his life ended at the age of 42 because of apparent negligence.

This month's elections, a year and a half before the four-year mandate of the coalition which won in 1980 expires, were probably on the cards from the moment Sr Sa Carneira died. His alliance turned from a group avidly following a feisty leader into a group of warring factions, each in search of supremacy.

Supporters rally to the Socialists, led by Sr Mario Soares

Sr Francisco Balsemao, reluctant heir to Sr Sa Carneiro, was by temperament unable to control the squabblers who sought his downfall almost from the moment they chose him, or to manage ministers whose departments were personal preserves rife with patronage and bureaucratic excesses.

Promised reforms went unfulfilled while Cabinet reshuffles only moved the same faces to different offices. Inflation and foreign borrowing soared while investment and production slumped and the loss of confidence in Portugal's ability to pull her weight in a difficult world was palpable.

Inevitably General Antonio Ramalho Eanes, a stern President, called a halt to the political skirmishing, dissolved Parliament and demanded an early General Election.

So the campaign cars are out again, hooting and blaring slogans. The parties of the disintegrated coalition, are fighting the election individually, refraining from setting up any new groupings until they see the election results.

Visibly on the defensive, the Social Democrats and Christian Democrats hardly mention the the economy in their manifestos and campaign speeches apart from vague references to giving the private sector more leeway and cutting inflation.

The Social Democrats, now led by an academic, Professor Carlos Mota Pinto, are in a tricky position; aware that they could be invited to join the next Government, they are promoting their own image, which seems to be based on the politics of "joy and hope," while leaving the way open for deals with the majority party, likely to be the Socialists.

The prospect of such a deal has made the Christian Democrats aim their campaign at the right, rather than the centre to which they have tried to appeal in the past.

Their charismatic leader Professor Diogo Freitas Do Amaral, walked out of politics late last year vowing never to return, but has appeared on television recently, warning of the dangers of a Centre bloc made up of Socialists and Social Democrats.

This Centre bloc has long been described as Portugal's natural political ground, and should it occur, parties like the Christian Democrats would run the risk of losing any influence. But instead of waging a detailed campaign promising specific measures, they have resorted to terms like "national liberalism" which puzzle not only the public, but experienced political observers. This tactic may not pay off at a moment when the Portuguese are anxious to hear concrete suggestions for the improvement of their economic difficulties.

Only the Socialists, who governed Portugal with difficulty between 1976 and 1978, offer detailed economic proposals. Their "100 measures for the first 100 days" include efforts to stimulate production and strengthen labour laws, to use social security to offset the painful effects of the austerity they vow is to come, to combat state corruption of which they claim to have ample evidence, and to tackle Portugal's grave external payments position.

The Socialists state in their programme that if part of the country's gold reserves must be sold or pledged to help short-term liquidity, then so be it. Portugal's $9bn gold reserves are a matter not only of security against its $13bn foreign debt, but of national pride.

Being the voice of gloom is a novel approach for politicians; but there are signs that Sr Mario Soares, the Socialist leader has accurately read the Portuguese public's keen desire for a Government that will administer even bitter medicine without flinching.

The ebullient, gregarious Sr Soares remains Portugal's most charismatic politician, his taste for world affairs nurtured by years as a leading member of the Socialist International.

The $64,000 question is whether, if he wins office, especially with a weak majority, he and his fellow surgeons will dare wield the economic knife as radically as they threaten.

If you're Romanian and want to leave, don't go to university

BY DAVID BUCHAN, RECENTLY IN BUCHAREST

PRESIDENT Nicolae Ceausescu of Romania has, in the words of one diplomat, "shot himself in the foot" with his new emigration tax, which came into force last month. It has already led to a major row with the U.S. and to strong criticism from other Western countries; it has won the maverick Romanian leader no plaudits from Moscow so far; and it has compounded persistent tension with neighbouring Hungary over the large ethnic minority in Romania.

There seems little prospect that Mr Ceausescu will back down on the tax, which he has made into an issue of national sovereignty, or that the tax will do other than cut emigration, running at nearly 15,000 people a year, to a tiny trickle.

The levy is ostensibly designed to recoup for Romania the cost of educating those who permanently leave its borders. But its real aim is to block emigration outright, as Mr Romulus Neagu, a senior Foreign Ministry official, makes clear.

"Romania is not a country of emigration," he says flatly. Developing countries like Romania "cannot afford to supply industrialised countries with skilled labour."

The tax has to be paid in hard currency, which Romanians are allowed to hold in special bank accounts but which they may not earn inside the country. The would-be emigrant is charged $3,700 for the last two years of his secondary schooling and an average $3,000 for every year of university education. The cumulative total can be prohibitive: one professional couple with three well educated children have been "billed" $93,000 to leave.

A sting in the tail is that the minute the emigrant gets permission to leave but before he can settle other matters relating to his departure, he must support himself and his family in Romania—hotels, medical costs and so on—in hard currency.

The U.S. has taken the strongest allied action by announcing its intention to withdraw "most favoured nation" treatment from Romanian goods this summer. U.S. officials reckon this will cost Romania $200m in lost exports this year alone. Romania may also be denied further Export-Import Bank credits, which could jeopardise a contract won by General Electric to provide turbines for nuclear reactors which Canada is building in Romania.

The Trudeau Government has not threatened any direct commercial sanction, but it has obliquely warned that pressures could mount from Canada's 40,000-strong ethnic Romanian community for a permanent freeze on the $650m Canadian Government credit for the Candu reactors.

West Germany faces the sharpest dilemma. Dwarfing the volume of emigration to North America and Israel has been the flow of ethnic Germans from Romania, up to 12,000 a year since 1978. Though officially denied in Bonn and Bucharest, there seems to have been an unwritten understanding linking this exodus with the supply of trade credits that has made West Germany Romania's biggest western trading partner.

Obviously, if such an understanding existed, it has now been broken. Bonn says it refuses flatly to pay the emigration tax for the 300,000 ethnic Germans still in Romania, and it may be no coincidence that it is the only western government not so far to have agreed debt rescheduling terms with Romania.

Romania's biggest ethnic minority is 1.7m Hungarians, mostly in Transylvania. They do not emigrate to Hungary, partly because this would be unseemly between fellow Communist countries, but mainly because Budapest will not take them, as such a move might dilute its historic claim to Transylvania, a matter of endless discord between Bucharest and Budapest.

Traditional complaints about cultural discrimination against the Transylvanian Hungarians have been given fresh edge in the past two years by Romania's economic problems, making life harder for everyone. To the extent that the Romanian economy is now improving, this should ease the Hungarians' plight and reduce the incentive for emigration.

President Nicolae Ceausecu (above) has encountered nothing but trouble since his new emigration tax came into force. The row threatens the country's trade, foreign investment and even its debt rescheduling arrangements.

The emigration tax has hardly shaken Mr Ceausescu's domestic standing, let alone his tight security hold on the country. Indeed, by hitting hardest at the educated, it may have populist appeal to Romania's many have-nots. Certainly, western diplomats saw nothing to substantiate widespread rumours two months ago of an attempted army coup against the President, though extra police were noticed in Bucharest in early February. Some soldiers may be restive, but probably less about any fundamental policy disagreements with Mr Ceausescu than about being required to do public works and canal-digging.

But the President's international prestige is on the wane. In the mid-1970s, for instance, he was picking up an average of 15 international medals and awards a year; in 1980-81 he won only six. Mr Ceausescu has vaunted himself as a mediator, keeping relations with both sides in the Middle East and Indochina disputes. But this has brought no results.

His disarmament stance, which criticises the Soviet as well as the Nato missile build-up, has made him an irritating gadfly to the Kremlin.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $420.00 per annum. Second class postage paid at New York, N.Y. and at additional mailing centres.

Oslo may build oil pipeline to northern fields

BY FAY GJESTER IN OSLO

STATOIL, Norway's national oil company, is studying plans for a new North Sea pipeline system costing about NKr 5bn (£470m) and scheduled for completion around 1988.

The 200-km-long system, provisionally named "Gullpipe," would link Norwegian filds in the northero North Sea with a large new storage terminal to be built at Mongstad where Statoil already operates an oil refinery in partnership with Norsk-Hydro.

It could serve the Statfjord field, wbicb is atready in production, Gullfaks, which is under development, Norsk-Hydro's Oseberg field, which is expected tn be declared commercial ln the autumn, and, eventually, Shell's Troll field.

Troll, thougb primarily a gas field, also contains oil reserves, which will be exploited if economically feasible. Yesterday both Hydro and Shell welcomed the state company's proposals.

Statoil has already sought government approval to increase refinery capacity at Mongstad to 10m tonnes a year from 4m at present. It also wants to build a storage terminal, believing that they would reduce dependence on spot-market customers and give it more flexibility in marketing the increasingly large supplies of crude it will be handling as new fields come on stream.

The Oil Ministry expects to submit proposals for tbe refinery expanston and storage terminal to Parliament in the autumn. They could be approved next spring and the whole system be in operation by the end of the decade, making Mongstad a leading North Sea oil port.

Norway is currently building a 850km gas pipeline system scheduled for completion in 1986. This will tap several of its fields and move the gas to Emden in West Germany, via a Norwegian terminal and the Ekofisk field, in the southero North Sea.

Medical protests mount in France

BY DAVID HOUSEGO IN PARIS

MEDICAL students occupied the Arc de Triomphe and the Eiffet Tower in Paris yesterday wbile doctors in French teaching hospitals hardened their protest strike in what has become an unparalleled display of unrest by the French medical profession.

The medical students have been on strike for over two months attracting attention to their cause by such spectacular actions as closing the entrances to the Metro, covering parking meters with plaster and pitching a tent on the top of Strasbourg cathedral. Apart from temporarily barring tourists yesterday from two of Paris' best known monuments, they also blocked the Autoronte du Soleil near Macon, the main motorway to tbe South.

The 8,000 doctors and senior housemen of the main teaching hospitals have been on a protest go-slow for a fortnight that is now causing increasing disruption to hospital services particularly in the Paris area. The Government offered some concessions on Tuesday but tn widespread public surprise the doctors decided yesterday to sliffen their action.

The reasons for their dissatisfaction are complex. But bebind lt is the disgruntlement nf a profession that is overcrowded, which bas seen its real earnings drop in recent years, which fears the impact of further cuts in health expenditure and bas been alarmed at the reforming zeal of M Jack Ralite, the Commnnist Minister of Health. M Ralite was replaced in last montb's cabinet reshuffle by M Edmond Herve, the former Energy Minister in an effort to calm the storm. But if anything the action bas intensified.

The specific grievances of the medical students focus on plans put forward in December for lengthening and changing the system of medical education. Under the proposals all students would take an exam in their sixtb year that would decide whether they qualify as bouse doctors. Until now, the critical examination has been in the first year after which students parted ways.

The Government sees the change as improving the overall qualifications of the medical profession bnt it is particularty resented by those wbo are in mid-course.

Prices rise 0.9% in March

BY OUR PARIS CORRESPONDENT

THE FRENCH Government's hopes of bringing inflation down this year to the target figure of 8 per cent received a setback yesterday with the release of provisional figures showing that prices climbed by 0.9 per cent in March.

This brings the cumulative price increase in the first three months of the year to 2.5 per cent, or 10 per cent at an annual rate. But the April figures are also expected to be bad because of increases due in gas and electricity prices and in other public sector tariffs.

The economy has also to absorb the inflationary impact of last month's devaluation of the franc which has been exacerbated by the continuing strength of the dollar. The dollar hit a new record in Paris of FFr 7.319 meaning that most of the advantage of falling oil prices on the import bill has now been wiped out.

The Ministry of Economy drew comfort from the fact that on a 12-month basis the rate of inflation has dropped to below 9 per cent.

Mitterrand in Switzerland

BY JOHN WICKS IN ZURICH

THE FRENCH President, M Francois Mitterrand, arrived in Zurich yesterday for a two-day nfficial visit to Switzerland, the first by a Frencb head of state since 1910.

The President, wbo was received by the country's seven-man Federal Conncil in Beroe yesterday afternoon, is accompanied by M Claude Cheysson, the Foreign Minlster, M Jacques Delors, the Economic and Finance Minister, M Charlea Hernu, Defence Minister, and Mme Edith Cresson, Minister of Foreign Trade and Tourism.

M Mitterrand's wife, Danielle, is remaining in Franee as a gesture of solidarity with the Freneh public wbose foreign travet bas been restricted by recent austerity measures.

Talks yesterday centred on "the international political sitnation and mutual relations, including trade relations," according to an official communique. They are understood to have covered sueh topics as the effect on Swiss business and tourism of recent Freneb trade and currency policies and the possibility of Swiss purchases of Freneb military equipment.

Dutch back away from S. Africa sanctions

By Walter Ellis in Amsterdam

THE DUTCH Government has been advised in a report prepared by the Ministry of Foreign Affairs that it would be legally and practically impossible to impose unilateral trade sanctions against South Africa.

The possibility of such sanctions has been held out by successive Dutch governments for years and was included in the policy programme of the present Centre-Right administration published last November.

A spokesman for the Holland Committee on Southern Africa, a leading anti-Apartheid group, said last night that the news leaked to a Dutch evening newspaper and not due to be made public until next week – was entirely expected but was still disappointing.

The report argues that unilateral sanctions by the Netherlands, whether in the form of an oil embargo, coal import restrictions or a ban on investment, would cut across the legal framework of the General Agreement on Tariffs and Trade (Gatt), the treaty of Rome and the Benelux customs union. It would also mean abrogating the trade agreement negotiated with South Africa in 1935.

The Holland Committee on Southern Africa, whose associate organisation, the Shipping Research Bureau, has twice highlighted Dutch oil and shipping companies as in the forefront of trade with South Africa, maintains, however, that the Foreign Ministry's claims are merely a means of hiding a real lack of political will to act.

Firm Bundesbank line on Third World debt

BY STEWART FLEMING IN FRANKFURT

THE BUNDESBANK is strongly opposed to any steps wbich would lead the International Monetary Fund in the direction of taking over long-term debts of developing countries in financial difficulties.

The IMF cannot take over from commercial banks their responsibility for loans they have made because it only receives relatively short-term subscription funds and credit lines, says the Bundesbank in its annual report.

It must not allow itself "to be seduced either by creditor countries or by commercial banks, into taking over part of the outstanding debts."

The report coincides with a debate, particularly in the U.S., about methods of restructuring the debts of countries such as Mexico and Brazil to ease their financial burdens further.

The Bundesbank's tough position in the debate about the IMF's role in a period of international financial tension is underlined, too, by its comments on suggestions that the IMF fund itself in the privata commercial markets.

This would tend to ehange the character of the institution away from its role as a promoter of international financial co-operation towards "a sort of super-Eurobank," it says. Commercial banks would be encouraged to pull back from tha bigber risk business of financing developing countries in favour of relatively risk-free lending to the IMF.

The Bundesbank also goes out of its way to stress the responsibilities which the commercial banks must shoulder in the international debt crisis.

"The prospects tbat the current difficulties in the international financial markets can be overcome and tbe atability of the international banking system preserved, depends on central banks, commerciat banks, debtor countries and international institutions in an atmosphere of responsibility and mutual trust," it says.

In this context, the Bundesbank warns that commercial banks can avoid neither rescheduling the debts of countries in difficulties nor, in certain circumstances, the need to increase their commitments. If they are not prepared to take these steps the banks will have to worry abnut the payment nf current interest payments on their loans something which has profound implications for the valuation of their toans in their balance sheets.

BBC director calls for end to 'jamming'

By Stephanie Gray

THE managing director of BBC external broadcasting, Mr Douglas Mnggeridge, yesterday attacked what be called a "politically motivated and carefulty orchestrated campaign, led by the Soviet Union and the Eastern Btoc, against international broadcasting."

He predicted the imminent breakdown of law and order on the airwaves unless there was a "new spirit of understanding."

"We are already witnessing a ganging up of some natinns to prevent the use of satetlite technology in international broadcasting," he said.

Speaking to the Diptomatic and Commonwealth Writers' Association, Mr Muggeridge said jamming was the most serious threat of all to broadcasting.

"The widespread use of jamming by the Soviet Union and other countries in many parts of the world is rapidly making a nonsense of all the international conventions for the orderly use of the airwaves," be said.

Reagan invites Thorn for talks on summit

BY JOHN WYLES IN BRUSSELS

PRESIDENT Ronald Reagan has invited M Gaston Thorn, the president of the European Commission, to White House talks next Thursday in an unusual intensification of preparations fnr the world economie summit in the U.S. at the end of May.

The Commission has rarely been involved in such a high-level potitical preparation for an annual summit, but there is sald to be a growing concero in Washington about the amount of work still to be done to bridge the wide policy differences between the U.S. and Europe.

Having stressed that lt wants a relatively low-key debate on global issues at the Williamsburg meeting, the Administration is described by European officials as increasingly anxious that the summit may yield nothing on key international economic and commercial issues.

It is thought that Mr Reagan will want particularly to review with M Thorn the agricultural trade conflict. This could turn very sour by the time of the summit untess talks in Washington on April 29 raise some prospect of a better understanding over the EEC's use of subsidies for its agricultural export trade.

On the equally vexed issue of East-West trade, EEC officials in Washington have been assured by the Administration that it is not seeking to use the summit to force tbe Europeans into a mueh more restrictive approaeh to the supply of credits and strategie equipment.

However, there is some suspicion in EEC capitals about the recent U.S. proposals for a meeting of trade ministers from seven summit nations in Brussels at the end of this month.

Washington says it wants the meeting to continue the review and revision of the internationat trading system begun at last November's Gatt ministerial meeting in Geneva. The Europeans regard the proposition as dubious and there is considerable retuctance to sanction it among the six smaller EEC member states

Parties get together on all-Ireland forum

BY BRENDAN KEENAN IN DUBLIN

LEADERS OF the three main parties in the Irish Republic, along with the leader of the Northero Ireland Social Democratie and Labour Party, met io Dublin to draw up a plan for a proposed forum for a new Ireland, which is intended to produce detailed proposals for all-Ireland political structures.

But the meeting was overshadowed in Dublin by an open row in the coalition goverment over a speech on economie policy by Mr Alan Dukes, the Finance Minister.

Mr Dick Spring, leader of the Labour Party — the junior partoer in tbe coalition — said the speech was totally unacceptable to Labour. Mr Spring objected to the timing and tone of the speecb, whieh came oo tbe day when 100,000 trade unionists marched in protest at high tax and social insurance rates.

Mr Dukes had told the Confederation of Irish Industry tbat taxes eould not be reduced until the gap between government spendiog and revenue had been closed. He maintained tbere would have to be cuts in food and transport subsidies, and eharges for health and education services.

A Government spokesman sald that Mr Dukes' speech did not represent Government policy and said ministers would meet on Monday for a full day session, on economic strategy. Privately, Labour ministers are furious at what they see as the tendency of colleagues from Dr Garratt FitzGerald's Fine Gael party to make statements without cabinet approval.

Both Dr FitzGerald and Mr Spring attended yesterday's meeting to decide on how the forum would conduct its business.

Hong Kong's budget deficit may widen

HONG KONG—The Hong Kong Government's budget deficit for the fiscal year beginning April 1 may widen by another HK$1bn to HK$4.2bn (£420m), Mr John Bremridge, the Financial Secretary, said yesterday. As a result, the Government may need to increase taxes further to help narrow the gap.

Speaking in the Legislative Council less than two months after delivering his letest budget, Mr Bremridge said the Government bad decided to draw on its free fiscal reserves, presently totalling HK$11.5bn, to cover both the 1982-83 deficit and the enticipated deficit for this fiscal year.

The reserves would fall to HK$4.3bn for the 1984-85 fiscal year if the Government did not institute further tax increases, he said.

He described this level as "dangerously low," and defended his recent indirect tax increases on alcohol, tohacco and driving desgined to raise HK$3bn.

He also hinted that the Government was giving more serious consideration to commercial borrowing to cover revenue shortfalls, something it has shied away from until now.

The Government's budget for the fiscal year ended March 31 produced a deficit of HK$3.8bn. Mr Bremridge originally predicted e HK$2.8bn surplus, but a sharp economic downturn turned this into the first deficit in eight years. AP-DJ

Protection for Zimbabwe trains

By Our Havare Correspondent

THE Zimbabwe government is providing armed escorts for treins on the Botswane to Bulewayo sector of its railway, following the weekend attack on a train by armed dissidents in which one railweyman was killed and another wounded.

The railwey is one of Zimbehwe's four rail outlets to the sea—the others being the direct lioe to South Africa vie Beit Bridge and the lines to Meputo and Beira through neighbouring Mozambique.

Richard Cowper in Bangkok reports on Monday's elections—held against a background of bloody fighting

Thais may be setting out on the trek to democracy

THAILAND goes to the polls on Monday and now seems set on a course which will return the country to full democracy for the first time in almost a decade—at least in theory. This could happen if transitional clauses in the country's 1979 constitution, which allow the army a powerful voice in Government, are automatically revoked just three days after the election.

But the elections are being beld against an ominous backdrop of bloody fighting on the Kampuchean border and a continuing attempt by the Thai armed forces to reassert their hitherto dominant role on the domestic political scene. Few, in fact, believe that the election will produce a government capable of ruling the netion for any length of time.

The election, dubbed by Thai liberals as e straight fight between "liberal party democracy and army dictatorship," seems unlikely to result in any single politicel party emerging with a workahle majority. With more than 20 separate parties and over 400 independent candidates fighting for 324 elected seats, a shaky coalition seems

Gen *Prem* Tinsulanonda

the most likely outcome. Without the backing of the military, such a government is unlikely to stay the course.

Last month's failure by the army'a Commander-in-Chief — traditionally a launching pad to political power — to persuade a joint session of Parliament to retain the constitution's provisional clauses may well turn ont to be merely a temporary setback in the army's struggle *to retain its grip on the levers* of power.

When these clauses run out on April 21, military offices and other government officials will be obliged to give up their jobs if they take up political posts. The power of the military-dominated Senate will also be much reduced, as this elected Upper House will no longer heve the right to veto major government legislation. The elected Lower House would become the country's most powerful legislative body.

The present coalition government beaded by General Prem Tinsulanonda—himself a former army chief—has stayed in power for the past three years, primarily because General Prem had the backing of both tha armed forces and Thai monarchy—the two most powerful institutions in Thai political life.

But the political equations that enabled the Social Action Party (SAP) and Democrat Party partners to remain in power under General Prem have since changed. The two parties have openly challenged the army's role in Government, and there appears to have been a perceptible shift in support away from General Prem—both by the army and Queen Sirikit, who is believed to be a powerful behind-the-scenes figure—in favour of the Commander-in-Chief, General Arthit Kamlang-Ek.

The Thai monarchy holds a unique place in the country's complex political system. It is revered by the people as almost God-like, yet it is used to advantage by key players in the game. Queen Sirikit and King Bhumibol, it is believed, do not always see eye to eye.

Moreover, in the words of Thailand's leading political scientist Chai-Anan Samudavanije, the essentials of Thai politics have not changed for more than five decades. "Ever since the overthrow of the absolute monarchy in 1932 the military as an institution has been the pre-eminent political force. The most important characteristic of our political system has been its success in pre-empting or crushing all political opponents.

Gen. Arthit, whose rise to power in the army establishment over *the past 18 months* has caught many by surprise, has publicly stated that he will continue to support General Prem. But few doubt that he holds higher ambitions.

Many believe that if, as seems possible, the Social Action Party of former Prime Minister Rajawong Kukrit Pramoj wins the most seats in next week's election and forms another coalition Government with Gen Prem, it may not be too long before Gen Arthit, with the backing of the Queen and the army, moves to undermine it.

In the capital, Bangkok, the election campaign has been both bitter and hard fought. The major issue has undoubtedly been the question of whether Thailand is ready for the kind of liberal Western democracy advocated by the Social Action Party and the Democrat Party.

But "upcountry," in the 40,000 or so villages where the majority of Thailand's 50m people live, the election is being fonght along more traditional lines. Here it has been personalities, vote - buying patron-client obligations and the occasional use of force *which has prevailed, not issues* or party allegiances.

The economy is not, for once, a major issue, because of its surprising resilience in the face of world recession, which has hit many of Thailand's south-east Asian partners. In the countryside, thougb, buge disparities of income with the capital remain e sore point.

If the constitntional amendment controversy has done mucb to help the army's opponents, supporters of Gen Arthit's powerful military faction have been quick to play on fears aroused by the fierce fighting which has taken place on the Thais Kampucheen border, in recent weeks,

The army has also made much of its recent spectacular successes against the Thai Communist Party, which for 12 years or more has been waging an armed struggle against the Thai government.

Iranian offensive defeated, Iraq says

Iraq said yesterday that Iran's latest Gulf war offensive had been defeated with thousands of Iranians killed and no loss of Iraqi land, Reuter reports from Baghdad.

But Iran insisted that its forces had captured new strategic heights in continued fighting with Iraq in Khuzestan province.

Tehran radio said Iranian forces launched a new onslaught against Iraqi forces, overrunning forward positions after destroying an Iraqi infantry brigade and a tank battalion.

In Kuwait, continuing differences between the two countries forced a further postponement of talks on capping Iranian oil wells which have been spewing crude into the Gulf since early March. The opening session of ministerial talks was originally set for yesterday.

Arafat in Tunis for PLO meeting

Yassir Arafat, Palestine Liberation Organisation chairman, returned to Tunis yesterday after a 24-hour visit to Sweden, Reuter reports from Tunis.

He was expected to chair a key meeting of the PLO leadership to discuss relations with Jordan after last Sunday's failure of a six-month effort to find a common approach to peace in the Middle East.

Somalis 'repulse Ethiopian air attack'

Two Ethiopian MiG-21 aircraft attempted to strafe and bomb the central Somali town of Abud-Wak on Tuesday but were repulsed, the Somali Defence Ministry said in a statement yesterday, Reuter reports from Mogadishu.

Earlier this week, Somalia put its armed forces on full alert after accusing Ethiopia of preparing an attack on the border.

Ethiopia denies any involvement in the border skirmishes and says they are the work of Somali rebels fighting to topple President Mohamed Siad Barre's pro-Western government. Yesterday it accused Somalis of *massing* troops along their common border.

The two countries fought a full-scale war in 1977-78.

Brunei's defence needs discussed

BANDAR SERI BEGAWAN—Lord Belstead, the British Foreign Office Minister, held talks yesterday with the Sultan of Brunei on the protectorate's defence needs after independence and was dne to *resume discussions* today, officials said.

The talks were likely to determine Brunel's needs after independence at the end of the year, Diplomats said.

Lord Belstead arrived in Bandar Seri Begawan early yesterday and went into a meeting with Sultan Sir Muda Hassanal Bolkiah after a working lunch with British Defence officials.

Officials said the talks covered the future of the British Gurkha battalion and the secondment of British army officers.

Lord Belstead's three-day visit follows the abrupt departure far home late last week of Mr Arthur Wetson, the resident High Commissioner.

Some officials in Brunei said the Sultanate had been unhappy with Mr Watson's handling of defence arrangements, hnt the Foreign Office denied this.—Reuter

Tokyo-Moscow talks conclude

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

TWO DAYS of official-level talks between Japan and the Soviet Union ended on a negative note this week after the Russians rejected an invitation for the Soviet Foreign Minister to visit Tokyo and the Jepanese turned down two proposals for bilateral agreements.

The outcome of the meetings—between Mr Mikhail Kapitsa, the Soviet Deputy Foreign Minister and senior officials of the Japanese Foreign Ministry—appears to confirm that relations between the two governments bave deteriorated since the edvent of the Nagasone Government.

In turning down the invitation for Mr Andrei Gromyko to come to Japan, the Soviet delegetion is said to have noted that, as long as the Soviet and Japanese foreign ministers had nothing but arguments to exchange, they might as well well meet in New York.

Japan rejected a Soviet proposal for a long-term economci pact similar to those negotiated by Moscow with several western countries, on the grounds that the proposal represented an ettempt to separate economic from political issues.

Another proposal for a nuclear non-aggression pact between the two nations was described by Japanese officials as "ridiculous."

Jepanese - Soviet relations have been soured for years by the Soviet refusal to admit tha existence of a territorial dispute between the countries.

This relates to four small islands immediately to the north of Hokkaido which were occupied by the Soviet Union in the closing days of World War II, and which Japan has been claiming since the early 1950s.

A more recent cause of friction has been the stationing of Soviet SS-20 medium-range missiles in eastern Siberia.

Jepan protested strongly to the Soviet Union about the SS-20s earlier this year and repeated the protest on Tuesday

The Soviet response was thet the SS-20s are not aimed at Japan, hut are designed as a response to the presence of U.S. seaborne nuclear missiles in the north-west Pacific. Japanese officials countered this argument by noting that the Soviet Union already has its own seaborne nnclear weapons in the region.

Japanese officials helieve that reletions with Japan are now a major Soviet preoccupation and that Moscow views Tokyo with the kind of frustration felt towards Bonn before the launching of West Germany's Ostpolitik.

Andrei Gromyko: offer of visit turned down

Asian countries show slower growth, report says

BY EMILIA TAGAZA IN MANILA

ECONOMIC growth in developing countries of the Asia-Pacific region slowed considerably last year due to poor agricultural production, lower prices of commodity exports and a slowdown in investments, according to the Manila-based Asian Development Bank (ADB).

Aggregate output of its 15 developing member countries grew by only 3.8 per cent, well below the rate of 6.4 per cent achieved in 1981. This is "one of the lowest levels in the past two decades," the bank said in its *annual* report.

Even the newly industrialising states of Taiwan, South Korea, Hong Kong and Singapore were not spared, because of tha shrinking overseas market of their manufactured exports.

Only Burma and Pakistan registered higher growth rates last year—Burma's economy grew hy 7.1 per cent last year, compared with 6.7 per cent in 1981, while Pakistan registered a growth rate of 6.2 per cent, marginally higher than 1981'a rate of 6.1 per cent.

Sikhs form 'sacrifice force'

BY K. K. SHARMA IN NEW DELHI

THE MILITANT Akali Dal party, which is campaigning in the north-western state of Punjab in support of political and religious demands, is forming a 100,000-strong "sacrifice force" in the holy city of Amritsar.

When the volunteer force is completed next month, the party plans to call a "one-day action" which many believe could lead to a fresh round of violence in Punjab. The Akali Dal has already announced that it will observe a day of mourning on Sunday, in memory of Sikhs killed in police firing during demonstrations last week.

The party's first group of 10,000 volunteers was this week administered an oath of loyalty by the Akall Dal leader, Sant Harchand Singh Longowal at the Akal Takht, the supreme temporal seat of the Sikhs. Watch*ing him* was *another* Sikh leader, Sant Jarnail Singh Bihndranwale.

Two other gronps will be formed on April 27 and May 12.

On the third anniversary of independence, **J. D. F. Jones** and **Michael Holman** report on resettlement

Zimbabwe tries to assuage blacks' land hunger

SEEN FROM Nyafaru cooperative, perchad high on the green rolling hills which mark Zimbabwe's eastern border with Mozambique, the country's crippling problems of drought and land hunger seem as distant as the dissidents roaming Matabeleland to the West.

The drought is killing thousands of cattle, devastating the maize crop and triggering what may become an exodus of peasants from the parched countryside into the towns. It is also a major new obstacle to the Government target of resettling 162,000 peasant families, about 1m people, from overcrowded communal land onto former white-owned farms by 1985.

But at Nyafaru, seen as a model of the cooperative resettlement scheme favoured by the Government, there has been enough rain. Mr Tinsan Moumba, the co-op chairman, proudly ahows visitors round tha 80 acres of maize, the youngberries, the apple orchards and vegetable garden.

Two new Fiat tractors have been donated by Scandinavian well-wishers, and a newly-built windmill will soon power an electricity generator. The store is well stocked and a resident Quaker doctor enjoys as fine a view from his clinic as any*where in Africa*.

Nyafaru has three claims to fame. Its hlack members broke the strict land laws of Mr Ian Smith'a UDI administration by farming what was classified as "white" land. The co-op helped feed and aheiter a local chief, Rekayi Tangwena, who became a legend for resisting Government attempts to evict him and his people from thair traditional land and it wae through Nyafaru, in early 1974, that Mr Robert Mugahe, now Zimbahwe's Prime Minister, sought the safety of Mozambique.

He was guided by the man who then chaired the co-op—Moven Mahachi. Today Mr Mahachi holds one of the most demanding posts in the Cabinet—the portfolio of Lands and Resettlement.

Land was one of the key issues in the war against white rule. Black resentment of settler expropriation of land ran deep. The expropriation was entrenched hy legislation which divided the country into two—the poorer half occupied by the hlack majority, and the better half farmed by whites with black workers.

Any government—let alone the radical and socialist Zanu-PF Government of Mr Mugabe—which fails to correct this imhalance will risk two serious problems. First, its supporters will arhitrarily occupy land still in white hands and, as "sqnatters," will hecome an embarrassing challenge to government anthority. Second, tha overcrowded and overgrazed communal lands of the blacks will continue to deteriorate, forcing more and more joh seekers into the towns.

The Government has acknowledged that it needs to maintain *Zimbabwe's commercial farming* sector, represented by the almost entirely white Commercial Farmers Union (CFU), who grow most marketed food and export crops.

Squatting is the major threat to the resettlement plan as well as one of the white farmers' higgest nuisances. But in the past year, the Government has shown a new willingness to act firmly, and the president of the CFU, Mr Jim Sinclair, thinks that fewer than 35 commercial farms are now affected by squatters.

Today the most serious squatter problems, mainly in the East are caused by families who have moved on to land already acquired by the government. The policy seems to be to legalise their occupation provided that each family represents a genuine needy case.

The Government'a new theme is that Zimbabwe's land must above all be properly ntilised, not simply doled out to every Zimbahwean who thinks he has the right to own a patch

There are three "models" for the land resettlement programme. The first provides for intensive village settlement of families with individual arable and communal grazing facilities, backed by services laid on by the Government. The second is the formation of profit-sharing co-operatives. The third envisages village resettlement around a "core-estate" providing specialised services.

The first has heen backed by the British Government, which is financing 30 projects with £13m committed and £6m actually spent. There is also financing from the Netherlands, the African Development Bank and the Kuwaiti fund, and the *Zimbabwe Government has* gone ahead with six of its own schemes.

The Government is also providing funds for an "accelerated resettlement programme" under which families are allocated land but supplied with no services.

According to figures released by Mr Mahachi last month, resettlement has so far been planned for 21,311 families under the "normal intensive *scheme*" and *another 5,464* families under the "accelerated resettlement scheme." Under the second model—the co-operatives—23 schemes have been planned, and only one scheme under the third (core-estate) model.

Mr Mahachi says that about 26,000 families have been resettled so far and that the target of 162,000 families by the end of 1985 will be met. There is considerable scepticism ebout *these figures, however* and the number of families actually settled is thought to be considerahly less by observers in Harare.

The success of the resettlement programme is of vital importance to Zimbahwe. Not only is the population growing at 3.3 per cent a year, but a failure of the programme might have radical political consequences.

On the other hand, if the programme were a complete success it would bring a rural transformation on a scale and at a speed which would he economically hazardous. For example, if the 162,000-family target were met it would mean the transfer of over 9m hectares. The total commercial sector framed by the whites was originally 16m hectares, of which 1.9m has so far been ecquired for resettlement.

The CFU insists that there is more land "on offer" than the Government has yet required, and the Minister has agreed that this is true. The willing seller—willing huyer principle has worked well. But the political demand for a more *rapid trans*fer of land continues to be voiced by the radicals, and the Minister has said that a new and comprehensive land acquisition policy is about to be announced.

The Government's prohlem can be seen in a nutshell at Mr Anthony Swire-Thompson's farm near Nyafaru. The Swire-Thompsons run one of the largest apple orchards in the country and grow seed potatoes. Next door, 25 squatter families have moved into an unused white-owned farm.

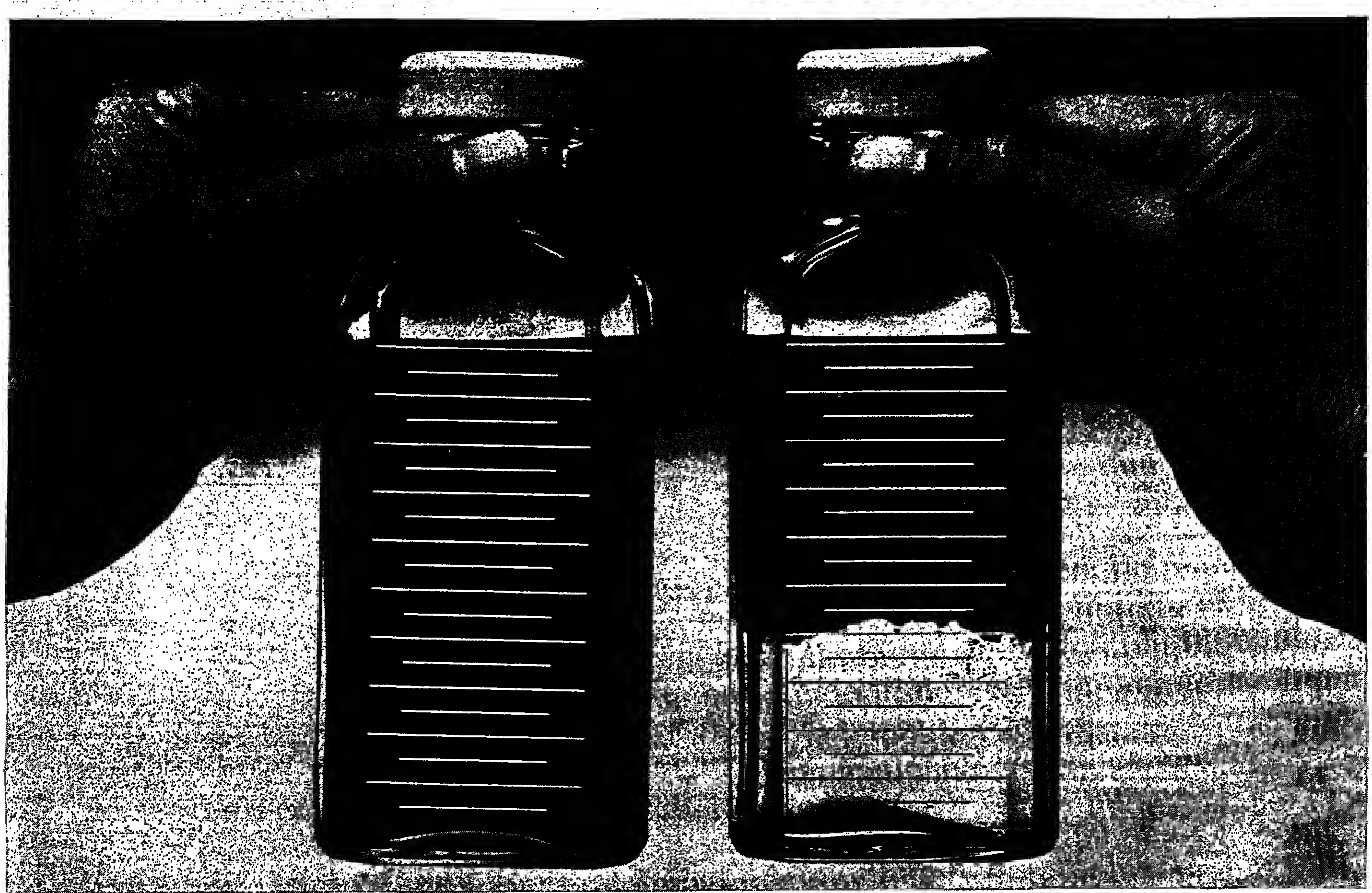
They are living on the Swire-Thompson farm's water catchment area and growing potatoes for sale in the nearby town. The problem is that the Swire Thompson's seed potatoes need strictly controlled water conditions to avoid infection from bacteria.

Said a sympathetic Mr Swire-Thompson: "What can the Government do about these squatters? They can see that the land is unused. And someone must explain to them why I can grow potatoes and they cannot."

Ashley Ashwood

Village near Harare . . . one of few where blacks have good agricultural land.

Getting oil out of Britain's waters isn't our business.



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Pym rebukes U.S. for seeking to shackle Europe-Soviet trade

BY CHRISTIAN TYLER, WORLD TRADE EDITOR

THE U.S. Administration was politely rebuked by Mr Francis Pym, the British Foreign Secretary, yesterday for seeking to tighten its extra-territorial control over politically-sensitive trade with the Soviet bloc.

Mr Pym declared that last year's divisive row between the U.S. and its European allies over the Siberian gas pipeline embargo "mustn't happen again."

He was referring to President Reagan's controversial Bill sent to the U.S. Congress last week for renewing the U.S. Export Administration Act, 1979. The Bill includes the threat that the U.S. market will be closed to overseas companies which the Administration believes to be leaking sensitive technology to Warsaw Pact countries.

"We feel our political interest are very much involved and we hope that they will be taken into account," Mr Pym said. The pipeline dispute had benefited only the Russians.

The extra-territoriality argument was not between opposed interests of Americans and Europeans, however. "There is a strong commercial interest shared on both sides of the Atlantic in ensuring that our trading system is kept open."

The U.S.-European relationship has shown itself robust enough to survive the pipeline row, and current trade disputes were also solube "with goodwill on both sides."

Speaking to an American Chamber of Commerce luncheon in London, Mr Pym also criticised U.S. arguments that EEC agricultural subsidies were a main cause of American farmers' export difficulties.

"We must avoid a trade war over agricultural products," he said. "We would all be losers, except the Russians who would get the grain and other food imports they so badly need at lower prices, and the opportunity to exploit disunity in the West."

He hoped the forthcoming OECD ministerial meeting and the economic summit at Williamsburg, Virginia, would "help to produce the sort of understanding and political impetus that will facilitate trade expansion without sparking off another round of inflation."

AP adds from Washington: The U.S. is more open to imports than its main industrial competitors and its barriers to trade are still dropping, according to a three-year study released yesterday.

"These results suggest that if the U.S. continues on its present policy course, the economy will be considerably more open in 1985 than it was in 1976," the report concludes.

It was produced by the National Planning Association, a non-profit research group with trustees from labour, business and universities.

The report estimates that the subsidies and tariffs that the U.S. Government gives to help business amounted to less than 1 per cent of the national income in 1976. For Britain, the estimate was 7.6 per cent. For Italy it was 4.3 per cent; France 4 per cent; West Germany 2 per cent; and Japan 1.4 per cent.

Foreign companies help cure Manila's traffic problems. **Emilia Tagaza reports**

Bitter medicine needed to cure urban crisis

DRIVERS IN the Philippines capital of Manila have long claimed their city has the most congested traffic conditions in all the Far East.

For 18 months, they have had to endure a worsening of the situation while work was started on the construction of a 15 km overhead light rapid transit (LRT) line to intersect the city along a north-south line.

It is bitter medicine. Construction work, taking place above an antiquated surface commuter rail link, has necessitated pulling roads causing traffic jams of a severity unexpected even in the Philippines.

In that time, a consortium of Belgian companies and the Construction and Development Corporation of the Philippines (CDCP), have been leading the project with a number of smaller European companies sharing in the subcontracting work.

Along with the CDCP—which is responsible for the civil engineering works—is a consortium comprising Ateliers de Constructions Electrique de Chaleoi (Acec); Constructions Ferroviares; Transurb Consult; and Tractionel Engineering International, which are looking after the electro-mechanical aspects of the project.

The full project is expected to cost Pesos 2.1bn (£260m), not a lot compared with far more costly underground transport projects being undertaken elsewhere in the Far East. It is planned for completion by 1984.

The Philippines Transport Department hopes to develop a 100 km network in and around the sprawling capital of 5m people. However, Electrowatt Engineering, a Swiss consulting concern has counselled the Government to consider carefully before making any further commitments.

The electro-mechanical aspect of the works account for

Pesos 1bn, or about half the project's overall cost. These are being divided up among the members of the Belgian consortium. Tractionel Engineering has designed the system, and is supplying the rails. Transurb is acting as a planning consultant and is training Filipino engineers to operate the system; Acec is in charge of the supply and installation of all electrical supplies, while Constructions Ferroviares is building the coaches.

The system's initial service will be provided by a fleet of 32 two-car trains, each 30 metres long and 2.5 metres wide, with a maximum capacity of 375 passengers. The fleet eventually will be doubled, and will be able to carry 500,000 passengers daily.

The Government said that up to 70 per cent of the cost of electro-mechanical works is to be financed through suppliers' credits. It has already obtained BFr 3.5bn ($70m) in credits from various Belgian banks and a BFr 900m interest-free 30-year loan from the Belgian Government.

Meanwhile, the civil works will cost about pesos 1.1bn and are being financed partly through commercial loans and partly through the Government's budgetary allocation.

The first commercial loan for $34m was obtained last October. The loan, arranged by Lloyds Bank, is for 10 years with a spread of 0.87 per cent over the London Interbank Offered Rate. Other participating banks include Barclays, Sumitomo of Japan, Algemene Bank Nederland, and the first Pennsylvania Bank.

In highly sensitive phases of construction, other foreign consultants were contracted: in the civil works design, where CDCP is being advised by Dravo International of the U.S., Pali Trevisani, the Italian piling specialists, have been given the job of ensuring that the piles in the columns supporting the tracks are fail-safe. Losinger of Switzerland is project specialist for the post-tensioning work.

A mass transit system for Manila was first considered in the early 1970s when the Transport Ministry commissioned a Japanese group to study the possibility of an underground railway in the city. The idea was dropped as it was found to be too costly.

Next to be considered was an "at-grade" LRT, with the tracks running on street level. However, the system was also written off as impractical as it would further complicate the traffic flow.

The elevated LRT is seen as a satisfactory compromise between an efficient but expensive underground, and an unsuitable inexpensive ground-level railway.

Despite the massive capital outlay required by the elevated LRT, the government is confident the system will be profitable on the 20th year of operation. The Transport Ministry insists the system will result in great saving in fuel costs.

ENI agrees oil platform accord with India

By K. K. Sharma in New Delhi

THE ITALIAN State-owned company ENI and the Government-owned Engineers India have reached agreement on construction of offshore oil platforms for work at depths of 400 metres and more.

This was announced yesterday by Sig Bruno Corti, Italian Minister for Foreign Affairs, who left India after three days of talks with Indian ministers.

This is Italy's first major contract in India's fast-expanding oil exploration and production industry.

System X in line for Indian telephone technology order

BY K. K. SHARMA IN NEW DELHI

BRITAIN'S System X is among four electronic telephone exchange systems being considered by the Indian Government as suitable technology for a second telephone exchange factory to be set up in the country to modernise its obsolete telecommunications.

Ten companies are bidding for the project for which tenders were closed last summer. Following talks with them, the Ministry of Communications is understood to have put four on a short list. A final decision is to be taken in two months.

The names of the four have not been announced, but the main challenge to the British System X is thought to be from Seimens, whose bid is being backed by the German Government. In recent talks, Seimens said it would be in a position to adapt its technology to Indian conditions.

Talks have also been held with representatives of British Telecom, although the subject could not be taken up at ministrial level this week, as scheduled, because of the cancellation of a visit by Mr Kenneth Baker, UK minister of State for Industry.

The British offer is said to include concessional financing terms which India needs because of its current foreign exchange difficulties. Similar financing packages are also being offered, however, by other contenders.

The contract became controversial last year when France's Cit-Alcatel was awarded the first electronic exchange for 500,000 lines without bids from other companies being taken into consideration. This followed political intervention and acceptance of cheap credit terms offered by France.

The Government said at the time that Cit-Alcatel was given the contract for one of two factories planned for electronic exchanges but this did not invalidate the original bids for the second factory. These are now being considered.

Cit-Alcatel is making a strong bid to win the second contract also but Ministry of Communications officials say its chances are not rated high as the Government would like to try another technology despite previous adverse experiences of trying to make two different systems compatible.

Among the other concerns which have bid for the contract are Nippon, Hitachi and Fujitsu of Japan, CSF Thomson, Phillips and CTE Italtel.

Egypt, Jordan to resume trade after four years

BY CHARLES RICHARDS IN CAIRO

EGYPT and Jordan have agreed to resume trade relations after a four year lapse because of Egypt's peace accord with Israel.

After talks in Cairo, the two countries signed agreed minutes that consider a March 1978 trade protocol still effective.

Trade was reduced to a trickle when the protocol fell into abeyance, but was not cancelled, after Egypt signed its peace treaty with Israel in March 1979. An Arab summit resolution adopted in Baghdad in November 1978 called for a boycott of Egypt if it went ahead and signed the treaty.

The only amendment to the protocol is that in future payment will be made in convertible currencies.

In the last year before the boycott came into effect, Egypt exported some $60m worth of goods to Jordan—mainly rice, foodstuffs, books and films. Jordan exported refrigerators, stoves, other manufactured goods and plastics.

Italy, Algeria closer to gas deal

BY JAMES BUXTON IN ROME

ANOTHER hurdle has been cleared on the tortuous course which should end with Italy taking supplies of gas from Algeria via the trans-Mediterranean pipeline. The lower house of Parliament yesterday finally approved a law which allows the state to pay the "political" premium being charged by Algeria on the market price

Once the Senate, the upper house, has also approved the measure, the way should be clear for Snam, the gas subsidiary of Eni, the Italian state energy concern, and Sonatrach, its Algerian counterpart, to sign a technical agreement, after which gas should start to flow.

The technical agrement was initialled by both sides in February, following the conclusion of an outline agreement in September, 1982. For nearly two years after the completion of the pipeline in late 1980 the two sides had haggled over Algeria's demand for a substantially higher price for the gas than it had originally agreed to in 1977.

In the end the Italian Government accepted a price of $4.41 per million British Thermal Units of gas, which is up to 50 cents more than Snam considered an economic price.

The Government then agreed to pay Snam the difference between what Snam considered economic and the agreed price, but Snam refused to sign the technical agreement with Sonatrach until Parliament had actually passed the Bill authorising the provision of the L540bn (£243m) over the three years which the "political" premium would cost.

● Christopher Bobinski writes from Warsaw: Poland is looking for a major increase in natural gas imports from the Soviet Union up till 1990, Mr Janusz Obodowski a Polish government deputy premier has said after trade talks in Moscow. The additional deliveries are conditional on Polish participation on pipeline investment in the Soviet Union. Talks on the subject are due to start soon.

Portuguese fabric exhibition keeps its separate identity

BY ANTHONY MORETON, TEXTILES CORRESPONDENT

RUMOURS that the 11th Portuguese Offer, the country's twice-yearly fabric exhibition, would also be its last were, like reports of Mark Twain's death, "greatly exaggerated."

The show which closed this week after a three-day run in Lisbon's Ritz Hotel was thought to be a candidate for a merger with Portex, the garments exhibition which is traditionally held in Oporto early in June.

Despite a falling-off in numbers of buyers, especially foreign buyers, and an increasing interest by many exhibitors in the major shows such as Interstoff in Frankfurt, Premiere Vision in Paris and Fabrex in London, the considerable body of opinion in Portugal which wants to keep its show as it is appears to have won.

The main argument against a merger with Portex, which Portex itself would not completely welcome, is timing. Fabric manufacturers have to catch the tide; and the tide for them goes out towards the end of April. They are already finding that Interstoff, which holds its spring show in early May, is too late.

Buyers have a very tight timescale if they are to choose and get the fabrics from manufacturers in time to be made up for the following year's fashions. Late March, early April is ideal for the following spring's fashions, and timing, which has so helped Fabrex—it was held from April 6-8—will probably save Portuguese Offer.

There is no doubt, though, that this month's Portuguese Offer was something of a disappointment. "It has become a rather cosy show," according to Mr Eric Jones, a former ICI executive who is now a consultant to ICI Portugal, "with the emphasis on the home industry rather than the overseas buyer.

"But it does offer a bird's-eye view of the Portuguese fabric industry and it would be a bad move if it were put in with Portex."

ICI Portugal started the show in the spring of 1978 as a vehicle for its Terylene fibre and it soon attracted buyers from all over Europe.

The recession has taken its toll on company spending, though, and it was noticeable that many concerns which might have sent three of four buyers each in the past limited themselves to one this year.

"The trouble," according to Senhor Luiz Filipe Mesquita Nunes, director of Lanificios, a woollen manufacturer from Coimbra, "is that there are so many other shows going on at about the same time. Many of our people now think it is almost as important to go to Fabrex as to show here and your buyers can see our designs as easily and more cheaply than coming all the way here."

> ❛ It has become rather a cosy show... But it does offer a bird's-eye view of the Portuguese fabric industry ❜

There were 12 Portuguese stands at Fabrex, with only the Austrians, French and Italians having a higher representation from outside the UK.

The British were still the strongest contingent at Portuguese Offer according to Senhor Bartolomeu Monteiro, president of the Textile Institute, which runs the show. But there is growing interest in it from the Scandinavians, with whom the Portuguese manufacturers have strong links. Other large contingents came from West Germany and France.

Not all those in the Ritz were pessimistic about its future. Mr Ronnie Byford, director of Maconde, the largest garment manufacturer in the country, which also has a string of 29 shops, said the 11th show seemed to be "even better" than a year ago despite "sharper prices."

"The thing about this show is that it is on the doorstep for the local fabric makers and even if it is local event it has an important role to play in the textile economy."

If the show is to expand and recapture some of its internationalism it may be necessary for greater emphasis to be put on the garment-making side of the textile industry. Portugal's fabrics are now widely accepted for their design and their quality as well as for their price.

But nearly all the garment-making industry is geared towards other people's labels. Portuguese goods may be found throughout Europe but they will have labels such as Littlewoods, John Collier, Hepworths, Rinascenti and Castelli on them.

Mr Jones thinks that establishing recognisably Portuguese brands could make a big difference to the industry. "Our price advantage is not all that great in fabrics because of automation. But with garments our wage-cost advantage in a labour-intensive industry could give us a big lead.

"Therefore we need more big garment makers. If we had them we should be able to move up market, create our own brands and sell on our own name rather than under someone else's."

The great advantage that Portugal has as a textile centre lies in its huge capacity and the willingness of its concerns, most of which are privately owned, to plough back profits into new plant and machinery.

It is this modern equipment which will make the country "the wardrobe of Europe" according to Senhor Monteiro. "The future of the industry here is very bright."

Congress debate on arms freeze turns into spring marathon

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE CONGRESSIONAL debate on the proposal to "freeze" the superpowers' nuclear arsenals is turning into a spring political marathon in Washington. In the words of an over-used cliché, it is generating more beat than light.

The House of Representatives late on Wednesday night suspended discussion of the issue for the second time in a month, and agreed to resume next Wednesday, after only two of almost 40 amendments to a freeze resolution had been debated.

The House had already spent 13 hours debating the freeze on March 16.

Proponents of the resolution are fully confident that they will win in the end, but they are determined to be gentlemanly towards their opponents, admitting that their adversaries have serious concerns that need comprehensive answers.

But while the fundamental subject, nuclear disarmament, is acknowledged to be one of the most important of the decade, the freeze resolution has become a political football and there has been little serious discussion of the reality of different nuclear weapons systems and superpower strategy.

"People have said this is the most important debate in history," said Mr Thomas Tauke, an Iowa Republican, "bnt we have become trapped in sophistry. It has degenerated into a political game."

The resolution says that instead of negotiating reductions while building more weapons, the two superpowers should negotiate "an immediate, mutual and verifiable freeze."

Thereafter, they should pursue substantial, equitable and verifiable reductions through numerical ceilings, annual percentages, and other means.

Its more than 200 sponsors —out of a total House membership of 435 have accepted a proposed amendment providing that the resolution should not prevent the U.S. modernising its forces before a freeze is negotiated and ratified by both sides.

But the whole debate has acquired an air of unreality. The resolution is non-binding, meaning that the Administration is not required to act on it, the Senate will probably overturn it, and it is hard to imagine that the Kremlin will feel impelled to act on it.

The main purpose from the Democrats' point of view can only be to try to persuade Mr Reagan to take arms control more seriously by expressing mounting popular revulsion against the arms race. The Republicans want to protect his policy of negotiating from strength.

The tenor of the debete was summed up by one Republican opponent, Mr James Martin of North Carolina, who said: "They've got the votes to pass it. What they didn't have is the ability to explain what it meant."

Central America peace bid likely to resume soon

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

THE SEARCH for a negotieted settlement to the tensions in Central America is expected to be taken up at the end of this month in Santo Domingo, the capital of the Dominican Republic, where representatives of the five Central American Governments are due to meet the Foreign Ministers of Mexico, Panama, Colombia, Venezuela and the Dominican Republic.

This past week's peace mission of the Mexican, Panamanian, Venezuelan and Colombian Foreign Ministers to the five Central American republics ended somewhat inconclusively on Wednesday night in Guatemala City with a communique in which they pleged themselves to continue the search for peace.

Mr George Shultz, U.S. Secretary of State, and Mr Donald Regan, Treasury Secretary, are due in Mexico City on Monday for a two-day visit during which they are expected to try to persuade the Government of President Miguel de la Madrid to move closer to Washington's view of the Central American tensions.

The Reagan Administration bas been at odds with Mexico and other regional powers by claiming that the conflicts in Nicaragua, El Salvador and Guatemala are the result of Soviet and Cuban meddling. The majority Latin American view is that the tensions arise from bed social conditions and repressive governments.

Washington favours diplomatic action in the framework of the Organisation of American States which is based in the U.S. capital. The Nicaraguan Government, which sees the OAS as being too U.S. dominated and plagued by its own internal crises, has however rejected it as unsuitable.

The Managua Government has suggested a bilateral negtiation with the authorities of Honduras who, it says, give shelter and support to counter-revolutionary forces backed by the U.S. which have invaded Nicaragua.

It is not certain yet whether the Nicaraguan Government will agree to go to Santo Domingo.

Britain and France have suggested that the United Nations sbonld help in seeking a solution to the problems of Central America.

The U.S. while unenthusiastic about the UN and opposed to any action by the Security Council, does not appear to have shut the door to private efforts by Sr Javier Perez de Cuellar, UN Secretary General, to find solutions.

Bolivia begins talks about new IMF loan

By Peter Montagnon, Euromarkets Correspondent

BOLIVIA has begun negotiations for a new loan from the International Monetary Fund as well as a rescheduling of debt falling doe to commercial banks this year and next.

An International Monetary Fund mission is at present in La Paz for talks on the loan which Sr Flavio Machicado, the Finance Minister, says could be ebout $300m.

The Minister is due to meet a group of leading creditor banks chaired by Bank of America in New York on May 3 and 4. Next week the government is to unveil details of its financial and economic strategies.

Meanwhile, Bolivia has declared a temporary standstill on payments of principal to banks until about September.

It will, however, seek to make good about $100m in arrears of principal and interest still outstanding from its previous rescheduling agreement which expired on April 6. This follows payment earlier this mootb of some $28m in interest arrears.

Bolivia last negotiated a rescheduling of commercial bank debt totalling some $450m in April 1981 but failed to accompany this with an IMF agreement. Over the past year, it has bad acute difficulty servicing the agreement, partly because of delays in receiving payment for natural gas sales to Argentina.

Now, however, the country's new President, Sr Hernan Siles Zuazo, appears to be moving to restore order to Bolivia's $2.8bn foreign debt.

● Costa Rica is understood to be moving towards a resolution of the impasse reached in its rescheduling talks with international banks last month when official discussions with a steering committee of international bank creditors were broken off.

Britain takes hard line on Falklands visit

By Hugh O'Shaughnessy,

TOUGH BARGAINING is taking place between Britain and the Argentine organisers of a projected visit to the Falklands Islands by a group of relatives of Argentine war dead.

Consultations are going on through the medium of the International Committee of the Red Cross, and Britain is demanding that the visit will be strictly humanitarian with no political overtones.

British officials are known to suspect that the Argentine visitors will attempt to make political capital out of the affair and, if the visit does eventually take place, the British garrison will be put on full alert against any Argentine military move.

Foreign and Commonwealth Office spokesmen yesterday would not reveal the conditions being demanded by Whitehall but they are thought to include the use of e non-Argentine vessel, the absence of any news reporters on board and the barring of any display of Argentine flags.

Sr Osvaldo Destefanis, the Argentine organiser, claimed he had chartered an Argentine cargo vessel for a series of visits which would start on April 30.

The vessel, the 8,000 ton Lago Lacer, was, be said, being provided at low cost by ELMA, the state-owned cargo line which is controlled by the Argentine Navy.

He added that be expected that voluntary donations would cover the cost of fuel and food for the 450 passengers.

Sr Destefanis said he intended to defy the British stipulation that no journalists should be included on the ship and said they would serve as a guarantee against "any British barrassment."

"In the past, the International Red Cross has shown that it is not sufficient protection," be commented.

Richard Lambert in New York discovers that the Revenue has a way of making people pay

What price Mr Average, when Al Capone wasn't safe

APRIL 15 is a day of dark foreboding for 97m Americans. The final date for filing 1982's tax returns, it is a high point of the year for endless armies of independent accountants and the Internal Revenue Service's 88,000 employees—not to mention the U.S. mail. An estimated 25m returns have been posted in the past five days in the rush to beat the deedline.

The scale of the exercise is awesome. Last year, just over 95m taxpayers declared gross income of $1.7 trillion (million million), on which they paid federal income tax of $353bn.

The system works on the principle of voluntary compliance, but the IRS does not rely exclusively on the public's honesty. Although only e tiny fraction of tax returns are audited, the IRS's 38,000 collection, audit and fraud officers have a battery of powers at their disposal, and have deliberately built up e tough and somewhat secretive image.

They like to hit big names to get maximum publicity for their efforts: having brought down Al Capone, just watch out when it's your turn. And they have powers to take firm action to collect dilinquent taxes. In 1981, the IRS undertook around 750,000 levies or seizures of property.

This epproach is not without its cost. According to FBI statistics, 74 per cent of all threats and 41 per cent of all assaults on federal workers are directed et IRS employees.

Moreover, Americans are becoming noticeably less scrupulous about paying their taxes. Last year, the IRS estimated that its overall receipts of $632bn for 1981 were around $87bn less than they would have been if everyone had met their full liabilities. That figure represented an enormous increase on the $29bn estimated shortfall in 1976—and, had the money been collected, would have made the federal budget deficit look very much less daunting.

Roughly $9bn of the shortfall arose as a result of profits on criminal activities which were, unsurprisingly, not reported to the taxman. But the biggest chunk, about $26bn represented unreported income from business activities.

Lots of people don't just cheat: they don't bother to file at all. In 1979, a study by the General Accounting Office estimated that around 5m taxpayers did not meet their legal obligations to file in 1972, and that figure is thought to have climbed significantly in the past decade.

In addition, around $20bn is outstanding in tax payments which have been agreed but, for for ooe reason or another, not collected.

Rapid growth in the so-called "bleck economy" is one obvions explanation for this rise in tax evasion. To take just one example, New York State has conservatively estimated that the total underground economy in the state amounted to $25bn in 1980.

The growing complexity of the tax laws is another possible reason. This has led to the legitimate development of substantial tax shelter businesses, but the shades between black and white are in some cases imperceptible.

Finally, it is hard to escape the conclusion that people are willing to edopt standards of behaviour that might have been thought unacceptable 20 years ago.

The IRS is responding to this trend in several ways. It bas developed an assistance programme to belp people comply with the increasingy complicated tax code. In 1981, for instance, it issued 13m tax publications and answered 36m telephone inquiries.

In addition it succeeded during 1982 in securing—against the general pattern—Congressional enthority for a big increase in manpower in certain key areas. Numbers on the collection side, in particular, have risen by 4,000 to 13,000, helping to bring down the value of taxes owed by roughly $7bn. Some observers say that the IRS is likely to get increasingly tough with unwilling taxpayers, and predict a substantial increase in the number of liens and seizure actions.

At the same time, the IRS is beginning to update its elderly computer equipment. It is, for example, about to start testing a system for monitoring payments of money owed in back taxes. The idea is that if you fail to meet a payment date, the computer will start phoning you at home.

On top of all this, tax legislation is being changed in a bid to make evasion that much harder. The most obvious example is the plan for the withholding of 10 per cent of interest earned on investments, against a tax return, which bas caused such a furore in the banking lobby.

Oliver Wendell Holmes once said thet "taxes are what we pay for a civilised society." Somehow, it doesn't seem quite as simple as that these days.

UK NEWS

WESTINGHOUSE TIPPED FOR £100m NUCLEAR STATION ORDER

Big Sizewell deal goes overseas

BY DAVID FISHLOCK, SCIENCE EDITOR

THE £100m contract for the heart of the Sizewell B nuclear project, if approved by the Government, will go overseas, probably to Westinghouse Electric, the Central Electricity Generating Board (CEGB) confirmed yesterday.

The CEGB has released a document outlining its contract strategy for the first 1,200-megawatt pressurised water reactor (PWR) built in Britain.

This coincides with the start of discussions between the CEGB, the National Nuclear Corporation (NNC), its agent for the Sizewell project, and Westinghouse Electric to determine the source of supply of the nuclear steam supply system and the extent to which British industry will be involved.

The contract strategy says the CEGB expects to import plant worth about £100m, compared with contracts worth about £550m for plant, works and services expected to be placed with British manufacturers.

It explains that for certain specialised *items* "it is considered prudent, for the first UK civil PWR, to use experienced international manufacturers," and the contract for the primary circuit of the reactor – the four steam generators, pressuriser and main pipework – will go overseas.

The design contract for the pressure vessel has already been placed with Framatome in France, formerly a Westinghouse licensee, and is expected to be followed by the contract for the vessel itself.

Discussions with Westinghouse, expected to continue for several weeks, concern the extent to which "UK manufacturers will be given the opportunity to participate in the primary circuit contract, thus allowing them access to this technology."

The document details 71 major contract packages the CEGB is proposing to let. This includes 14 civil works contracts, 24 mechanical engineering contracts, 15 electrical engineering contracts, and 13 for control and instrumentation.

The most contentious contract is likely to be the primary circuit contract, where behind the scenes Britain's two main contractors, Babcock International and Northern Engineering Industries, have already expressed strong disquiet.

Mr Tom Carlile, Babcock International's managing director, said last night his company was worried that if the primary circuit for the first British PWR was not placed with British industry, subsequent orders would also go overseas.

He believed Babcock could manufacture "with our existing facilities, equipment and knowhow all the components except the pressure vessel."

Home loan queues lengthen despite record advances

BY MICHAEL CASSELL

BUILDING societies continue to report lengthening mortgage queues, despite record levels of lending to home buyers. In some cases waiting lists are extending to three months or longer.

But the prospect of higher mortgage rates, which the societies have suggested might be necessary in order to raise badly needed home loan funds, has receded after yesterday's cut in bank base rates.

The societies hope the reduction will improve their competitive position and lead to an increase in the inflow of savings. Receipts normally fall in April, but this pattern could now be reversed, despite the fact that bank base rates remain one percentage point above the level in force when the mortgage rate was cut to 10 per cent last November.

Figures released yesterday by the Building Societies Association show mortgage advances in March running at nearly twice the rate achieved a year earlier. Net receipts, however, were reaching little more than half the total required to enable societies to maintain lending without dipping into their own liquid funds.

Receipts last month reached £397m, marginal improvement on February. The societies say they need about £700m a month to fund, the high levels of home loan demand.

In March the societies advanced a record £1.9bn, an increase of £253m on the previous record established last November. In order to make up the shortfall in net receipts, another £382m was lost from the societies' liquidity.

BL 'wash time' strike declared official

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

THE STRIKE at BL's Cowley, Oxford, plant hardened yesterday as 5,000 workers voted overwhelmingly to reject the company's latest peace formula. The Transport and General Workers' Union last night declared the dispute official. A similar move is expected by the executive of the engineering union at its meeting next Tuesday.

Concern is mounting within the company at the potential damage to car sales as the dispute drags towards its fourth week. Output of the successful Maestro model, the Rover, Acclaim and Ambassador, are all at a standstill.

Strikers are not due to meet again until next Thursday, by which time another 5,000 cars with a showroom value of £30m will have been lost, the company said.

Workers have rejected three appeals to return to work. They ignored a personal warning from Mr Harold Musgrove the chairman, that a continued stoppage would put future investment at risk, particularly any possible plans to build at Cowley a new executive car, the XX.

In letters to the homes of workers the company has already warned that the strike is in breach of their terms of employment.

The strike began when the management ended the practice of finishing each shift three minutes early to allow workers time to wash. The company then offered to phase out the change, but insisted all employees must work a full 39-hour week.

Unions maintain the dispute has much wider implications. Mr David Buckle, Oxford district secretary, of the transport union said last night: "Workers are demanding the right to be treated as individuals and not be ordered about by an autocratic management."

Police Bill climbdown

BY MARGARET VAN HATTEM, POLITICAL CORRESPONDENT

THE GOVERNMENT has yielded to public pressure and promised to alter the Police and Criminal Evidence Bill to ensure that the police do not have access to confidential personal records. Other articles, including documents, however, remain within the Bill's scope.

The controversial Clause 10 at present would give the police access to "evidence acquired in the course of any trade, business profession or other occupation subject to an express or implied undertaking that it would be held in confidence."

A circuit judge would have to rule there were "reasonable grounds for believing that a serious arrestable offence had been committed and that the evidence related to that offence and other methods of obtaining the evidence had failed or had been judged certain to fail."

This clause has provoked a storm of protest, led by doctors and clergymen.

Yesterday Mr William Whitelaw, Home Secretary said: "I have taken very seriously and sympathetically the anxieties expressed by members of the medical and other caring professions, and their voluntary counterparts that the provisions of the clause would, however unintentionally, adversely affect their confidential relationships with those who seek their help."

Britain 'leading world out of slump'

MR LEON BRITTAN, Chief Secretary to the Treasury, yesterday claimed in the House of Commons that Britain was leading the world out of recession.

Mr Brittan set the stage for a long battle over the Government's budget plans with a highly optimistic rundown of favourable industrial indicators and unfavourable comparisons with the performance of other leading Western economies.

He vividly contrasted the Government's sober strategy for sound recovery with the "cruel deception" offered by the Labour Party. But his expansive assessment of economic prospects provoked hilarity from Labour MPs, and was scornfully dismissed by Mr Peter Shore, the Shadow Chancellor, as an electioneering attempt to invent a non-existent recovery.

"The Government neither wants nor believes that it should take any action to help lift the economy from its present recession," Mr Shore said. "So far as the Government is concerned, the deep slump into which their policies have plunged us during the last four years is programmed to continue." The gulf between Government oratory and reality had become ludicrous, he thought.

Mr Brittan opened his speech with a heavy hint that the Public Sector Borrowing Requirement (PSBR) for 1982-83 might overshoot the budget estimate of £7.5bn by more than £1bn.

The £1.25bn overshoot in the Central Government Borrowing Requirement announced earlier this week made it likely that the PSBR would be higher than expected.

Mr Brittan said the financial strategy of the Government now represented the "broad consensus of international opinion." Unemployment was rising more slowly than in most other countries, and industrial output was rising faster, he said. As Labour MPs jeered disbelievingly, he told the House: "Having entered recession rather earlier than many countries, we are now leading the world out of recession."

Real domestic demand was increasing strongly because of lower inflationary expectations. Output was now expected to increase by 2 per cent in this year.

"This is to be achieved without a return to the soaring inflation and interest rates which impeded progress and stifled enterprise and initiative in the 1970's," he said.

Private sector bank lending increases

BANK LENDING to the private sector rose by £1.04bn on a seasonally adjusted basis in March, according to the latest official figures. Although the figure remains high, it is below the average monthly increase of £1.3bn in the whole of the last financial year in March.

Sterling M3, the broad measure of money which includes long-term bank deposits, rose by 0.9 per cent in the month, equivalent to an annualised rate of 11 per cent, the top of the Government's 7 to 11 per cent target range for monetary growth in the period.

Index re-named

THE WHOLESALE price index is to be re-named in August, when it will become the Producer Price Index, it was officially announced yesterday. The index is to be re-based with 1980=100 instead of the present base of 1975=100.

Components which go to make up the index will also be given new weights to reflect the changing pattern of industry's sales and purchases. The Wholesale Price Index consists of two series, one showing the prices paid by companies for raw materials and fuels and the other showing the prices which they charge retailers.

Merger talks fail

MERGER talks between the National Union of Journalists and the National Graphical Association, the print workers' craft union, were called off yesterday.

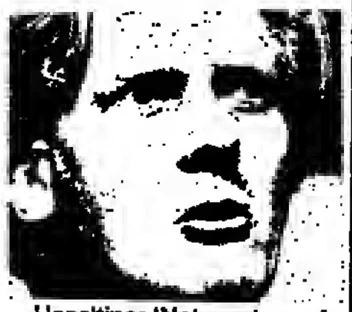
A senior official of the print union ruled out any further talks on the merger, which has been under discussion for two years.

UK NEWS

Minister defends plan for armed services to train unemployed

BY IVOR OWEN

LABOUR PROTESTS that the Government's plan to allow 5,200 young unemployed people to volunteer for training by the armed services could lead to the re-introductioo of conscription were swept aside by Mr Michael Heseltine, the Defence Secretary, in the House of Commons yesterday.



Heseltine: 'Not a return of conscription'

In doing so, be confirmed that the Manpower Services Commission, whose objections blocked an earlier version of the scheme, had been outmanoeuvred and that its budget would be cut by the amount spent by the services on its new entrants from civilian life.

Mr Heseltine sounded a note of caution wheo some Conservative MPs urged him to work towards expanding the scheme.

He implied that the Chiefs of Staff of the armed services had reservations about its introduction, and emphasised their "clearly recorded view" that they wished to operate on the basis of professional armed units. Mr Heseltine underlined the importance he attached to not blurring "a very clear professiooal commitmeot."

Labour's oppositioo, less vociferous than might have been expected centred oo the Government's failure to provide real jobs for Britain's young people. Mr Denzil Davies, a Labour defence spokesman, described the scheme as an abysmal and depressing epitaph to four years of Tory Government.

He said: "Having put thousands of young people into the dole queues and on to street corners, all the Government can now think of is to put a military uniform on some of them for 12 months."

Mr Davies maintained that the scheme would offer no hope of real training for the young volunteers and forecast that after one year they would go straight back into the dole queue. "This scheme is an insult both to our professional armed forces and to the young people themselves," he said.

Fears for 1,400 jobs at Mersey shipyard

By Hazel Duffy
Transport Correspondent

THE CAMMELL Laird shipyard on Merseyside is in urgent need of a new order if 1,400 jobs are not to be lost over the next year.

Sir Robert Atkinson, British Shipbuilders chairman, made a strong bid yesterday for the yard to build the next Type 22 frigate for the Royal Navy. He called oo Mr Michael Heseltine, Secretary of State for Defence, "to give early consideration to the position of Cammell Laird which needs an order now."

Speaking after the launch of the Class 42 guided missile destroyer, HMS Edinburgh, Sir Robert warned that skills and facilities were being lost which it would be impossible to replace as a result of capacity reductions.

Sir Robert has proposals which he will put to the Government, these include special credit arrangements for domestic owners, special use of the Intervention Fund to span the gap between UK and Far Eastern prices, and an acceleration of orders by the Government for naval-auxiliary or coastal-patrol type vessels.

Industry gives £1.7m to universities for bio-research

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITISH companies are beginning to contribute substantial amounts of money to an effort to strengthen the nation's biotechnology research base.

Fourteen British companies – including ICI, Unilever, Albright and Wilson and Distillers – have agreed to participate in a national programme to strengthen Britain's university research in biotechnology.

The 14, which also include two new ventures, have all agreed to join co-operative research projects set up by the Science and Engineering Research Council (SERC).

The council requires an industrial contribution of at least 50 per cent "in cash and kind" to mount co-operative industry-university research projects. In fact, industry has committed a total of £1.7m, compared with £900,000 from the SERC, to 17 co-operative biotechnology projects, says Dr Geoffrey Potter, head of the SERC's biotechnology directorate.

ICI is involved in three such projects, and Albright and Wilson, APV, Bio-isolates, Gallahers, John Brown Engineering and Unilever have each backed two projects.

The "jewel in the crown" is the Leicester Biocentre, with four industrial sponsors putting up a total of £1m for a new genetic engineering research centre. A fifth sponsor, Distillers, is about to join.

SERC's biotechnology directorate presented a new three-tier research strategy for biotechnology to its science board this week.

The first tier of the strategy encompasses support for research having fundamental and long-term implications, including essential parts of the infrastructure, such as culture collections.

The second tier identifies seven priority areas "where we believe we have to have a minimum level of vigorous research," Dr Potter says. This is defined as being at least two strong university groups in each area.

The seven priority areas are biosensors, large-scale culture of cells, plant genetics, microbial physiology, downstream processing, biocatalysis and genetic engineering.

The third tier of the strategy, in which industry has shown greatest interest, concerns products and processes considered of high priority. These are the subject of the 17 co-operative research projects already set up.

300 jobs to go at Union Carbide

By Nick Garnett,
Northern Correspondent

UNION CARBIDE, part of the U.S.-owned Union Carbide Corporation, is to cut the workforce at its Sheffield carbon products division by about 300 by next year.

The company blamed the job losses on declining steel capacity and poor prospects for orders in the nuclear power industry. It was necessary to put the division on securer footing and to "reposition" for changing markets.

The decline of steel demand has hit the division severely. In particular, the closure of 24 electric arc furnaces in the UK since December, 1979, has resulted in a steep drop in requirements for graphite electrodes. These carry electric power into the melt and form the mainstream business of the carbon products division. Cuts in steelmaking capacity had resulted in the loss of a potential market of 17,500 tonnes of graphite electrodes, the company said.

It's major contract to produce graphite for the Torness and Heysham 2 power stations is due to be completed by the middle of next year. There is little prospect of further contracts of this type

Bank chief calls for stricter controls on creditworthiness

BY MARGARET HUGHES

STRICTER standards of creditworthiness would be needed if the international financial system was to adjust to the long term without meeting further crises, Lord Sandon, a deputy chairman of National Westminster Bank, told a bankers' conference in Vienna. An improvement was "long overdue" he said.

Lord Sandon also strongly advocated a further increase in the lending capacity of the International Monetary Fund (IMF) and other international lending organisations which, he said, had fallen behind the scale of the world economy and of world trade.

Referring to the recent international debt problems Lord Sandon rejected claims that the banks were responsible. On the contrary, he believed that the private sector financial system provided "enormous social and economic benefits to all countries." To embark on a policy of imposing excessive burdens on this sector would in his view be a destructive way for Western governments to approach the problem of international financial problems.

Turning to the Euromarkets specifically, Lord Sandon forecast a reduction in the role of Opec countries as fund providers. Nonetheless, he believed that fears of a shortage of funds were "much exaggerated." Funds would come from the OECD countries, many of whom would be in surplus, and from multinational companies, he predicted.

Lord Sandon said the OECD area including offshore banking centres and international institutions, provided some 84 per cent of the Euromarket funds, while oil exporters provided 9 per cent and non-oil developing countries 6 per cent.

In his view, the international bond markets were in a period of sustained expansion.

International bond markets, would, to an increasing extent, be a source of funds for creditworthy borrowers. He pointed out that in recent years the share of world capital raising done through the bond market, compared with the banking market had risen considerably. The bulk of this borrowing was by industrialised countries.

Beer bottle makers to adopt PVC technique

BY MAURICE SAMUELSON

A NEW method of labelling and strengthening beer bottles is being introduced by two of Britain's three leading glass manufacturers in an attempt to meet competition from cans and plastic containers.

Rockware Glass and Redfearn National are to supply bottles wrapped in heat-shrunk sleeves made of polyvinyl chloride (PVC).

The brightly decorated sleeves, first developed by the Japanese glass industry, enable beer bottles to be labelled before they are filled and pasteurised.

United Glass, the largest UK glass maker, already applies polystyrene sleeves to its Plastishield bottles but so far they have had greater success among soft drinks manufacturers than among brewers.

Rockware, which calls its new bottles "Brandsellers," says it will soon name the first products to be launched in them nationally. Limited trials, for beer and squash, have already been held by Waitrose, the supermarket chain, and Marks and Spencer.

Redfearn has purchased sleeving equipment from West Germany. This will be installed in about two months time.

GEC Hitachi's TV marriage hits the bumps

Robin Reeves tunes into a long-running saga on UK-Far East joint ventures

ONLY FOUR years ago Hitachi, the Japanese consumer electronics group, agreed to establish a joint venture with the General Electric company to take over GEC's colour television factory at Hirwaun near Aberdare, South Wales. Now, there is widespread speculation over whether the marriage will last.

Earlier this week GEC Hitachi gave a warning that the plant might close unless 1,200 workers ended a strike over a wage freeze and cuts in bonuses.

At first, the joint venture appeared to put a happy ending to a controversy which had begun 18 months earlier when Hitachi abandoned plans to establish its own television plant in the north of England. The company had bowed out in the face of stiff opposition by British industry and unions, who were worried about the impact of Japanese competition.

The link with GEC seemed to provide the best of both worlds – the mobilisation of Japan's unique technological expertise in this field to secure the future of British TV capacity and jobs. The companies agreed to invest £2.75m to re-equip and modernise the Hirwaun factory, with the aim of raising production from 150,000 to 300,000 units a year. A third of the output was to be exported.

But the venture has run less than smoothly. The quality of TVs produced at the plant has improved. But the company was forced to introduce short-time working last year and announced 800 redundancies as part of retrenchment aimed at reducing costs by 25 per cent.

Unions have now been told that a pay cut is necessary because although the company has a full order book, it is still making a loss on every set produced.

It also emerged during talks to head off the strike that GEC was thinking of re-purchasing the plant by buying out Hitachi's stake, and that senior Hitachi officials were due in Britain next week to discuss the future of the business.

A sign of GEC's concern came with the replacement two months ago of Mr S. Okuma, of Hitachi, the managing director. His post was filled by Mr Graham Williams, who was managing a GEC plant in Scotland. He has decided that some components at present made at Hirwaun should be bought in.

Throughout the past four years each partner has maintained separate marketing, financing and pricing arrangements. Different marketing strategies have highlighted difficulties in the partnership. Hitachi has spent far more on promoting models carrying its own label and has been able to command a higher retail price for the same product.

Whatever GEC-Hitachi's immediate difficulties, the rest of the television market is looking buoyant. Replacement of TV sets purchased a decade ago, the surge in sales of home computers, which need TVs as display screens, the demand for sets to use with video recorders and Teletext services are all helping to maintain sales.

So far this year sales are up on last year's record level of 2.93m units of which 900,000 were small screen sets (16 ins or less). In 1982, overall import penetration of the UK market increased from 29 per cent to 32 per cent. This was only partly offset by increased exports, which rose from 140,000 to 220,000 units.

This year, however, a number of British-based TV manufacturers are hoping to augment exports. That includes a producer which, like GEC-Hitachi, was once run as an Anglo-Japanese joint venture.

The alliance between Toshiba and Rank in 1977 was similarly aimed at turning round Rank's colour television business in Plymouth and Redruth in the West of England. It lasted little more than three years. In 1981, the two agreed to split up. The business was closed with more than 2,000 redundancies.

The assets were then purchased by Toshiba for about £3m. It restarted production with 300 employees manufacturing nine models instead of the 60 to 70 originally produced by Rank, and kept going by the joint company. Toshiba invested heavily in automatic component insertion equipment and adopted a single pay structure, employee consultation procedures and other management features common to Japanese subsidiaries in Britain.

Toshiba produced only 90,000 sets a year during the first two years but, according to local management the Plymouth factory is now back in profit. This year, it is planning to raise output by 60 to 70 per cent, mostly for export to France, Germany, Switzerland and Italy.

Just over a year ago, Sanyo Industries bought the Pye factory at Lowestoft from Philips, and its 1,118 employees were paid off. All the old Philips equipment was taken out and replaced.

Sanyo resumed production last September with 50 employees, since increased to 150 thanks to a doubling of its production target and now intends to rise towards 800 in 1985.

Sanyo plans to start video tape recorder manufacture – the first such manufacturing facility in Britain.

Nine months before Sanyo's arrival, the Taiwanese group, Tatung, bought Racal's Decca TV plant at Bridgnorth, Shropshire, and TV research laboratories at Bradford (Yorkshire), for about £1m. With the help of the research facility, a new, simpler TV chassis was developed and the production line shortened.

Today, the Bridgnorth plant's production is running at 200,000 units a year, or four times the level under Decca, with some 20 per cent exported.

Significantly, JVC, the latest Japanese consumer electronics producer to try to strengthen its share of the British and European television markets, has chosen not to establish its own manufacturing facility. Instead it is buying its requirements from the leading British manufacturer, Thorn's Ferguson subsidiary.

This follows a successful three-way collaboration between these two companies and AEG-Telefunken, of West Germany, on VTR production.

By a deal signed two months ago, Ferguson will supply JVC with 40,000 units a year at first. Marketing is to begin in the summer. The badge and colour finish will be different, but JVC's new range of televisions will be the Ferguson TX system designed and developed in Britain.

Thanks to Thorn's investment of up to £20m over the past four years to modernise its manufacturing facilities, an annual promotional budget of more than £3m since 1980 and the guaranteed market provided by the group's ownership of four TV rental companies, the Ferguson TX range is now firmly established as brand leader.

The success of the TX system signals the fact that the Japanese inspired transformation of the British television manufacturing industry over the past decade is now largely complete.

THE FRENCH COMPUTER INDUSTRY

David Marsh in Paris outlines a controversial report drawn up for the Government

French computer strategy under fire

JUDGING by the number of government speeches devoted to promoting new technology since the Socialists came to power in France, President Francois Mitterrand looks likely to have the word "electronics" engraved on his heart.

But a report written for M Pierre Mauroy, the Prime Minister, by a senior civil servant in the industry ministry, M Philippe Lemoine, bas severely criticised key aspects of the Government's information technology programme.

In his 142-page report which, partly because of its controversial nature has not been officially published, M Lemoine suggests that France must take bold new steps if it is to become, as the Government hopes, the world's third most important electronics power (after the U.S. and Japan) by the end of the decade.

He calls for the multitude of government agencies charged with promoting computer technology to be reorganised on more efficient lines under a new Information Technologies Commission to achieve more "cohesion." And he hits ont in particular at the preferential treatment given by successive French administrations to domestic computer companies, which he says bas had mainly oegative consequences.

The report, which was first brought to the public eye by the French computer magazine Temps Reel, paints a gloomy picture of the penetration of computers in France compared with other countries. In the area of automated manufacturing, M Lemoine says France has a "worrying lag" compared not only with the U.S. and Japan but also with European countries like the UK, Sweden, Norway and Italy.

The number of numerically controlled machine tools in France is put by M Lemoine at only 10,500 compared with 20,000 in Italy and 25,000 in West Germany.

In information technology, despite the priority given to the sector by successive governments, the situation is judged to be "far from satisfactory." France's share of computers installed in Europe has fallen from 20.7 per cent in 1978 to 19.5 per cent, and could drop to 17 per cent by 1985, behind the UK and West Germany.

France's position in areas where equipment is more widely distributed because of its lower cost — such as automated office technology, and micro-computing — is more favourable, but the figures still show a serious lag. In 1981, the report says France accounted for only 13 per cent of European deliveries of automated office equipment against 33 per cent in West Germany. Of total micro-computers installed in Europe, the French share (by value) is only 15.3 per cent, against 24.1 per cent in West Germany and 28.7 per cent in the UK.

Even in sectors where France bas achieved an international lead—for example the electronic telephone directories now being introduced experimentally in certain regions — M Lemoine finds plenty to criticise. He points out that the electronic directories installed in a pilot scheme at Velizy, near Paris,

PREMIER MAUROY: studying report

are seriously under-utilised (the screens are interrogated no more than about 1.5 times a week on average), and adds: "One can only be astonished at the poor exploitation of these systems by badly educated and badly organised operators who often make use only of a very small part of the equipment's potential."

M Lemoine launches a particular broadside at the sluggish introduction of computers in schools. In spite of national awareness of the importance of new technologies and the setting up of various government action programmes, he says that the pace of computer education in 1982 was roughly equal to that during the 1970s. Only 5,400 micro-computers were spread among 77,000 national education establishments and specialist teachers were being trained at the rate of no more than 400 to 500 a year.

The lags accumulated in all these key areas could have "dramatic consequences." Already, the report says, French manufacturing sectors' competitiveness has been substantially *reduced because of* delays in introducing automated equipment.

The Government's four main agencies promoting computers all have confusingly similar names: The Information Technology Mission, the Information Technology Agency, the Centre for Administrative Information Systems Studies and the National Agency for the Development of Automated Production.

M Lemoine suggests that the confusion spreads well beyond mere nomenclature. He says the work of the four agencies—which together employ 450 people and spend *FFr 500m* (£45m) of goverument money each year—is often poorly defined and overlapping. Together with the roughly 30 other public or quasi-public institutions working on introducing computers into schools, homes and businesses, M Lemoine says the Government's information technology efforts could produce a "socio-technocratic bureaucracy" whicb is "incoherent, uselessly complicated and paralysing."

M Lemoine finds positive the approach to the problem in the UK, where he says the creation of a Minister for Information Technology has accompanied a "programme of great breadth." He does not go as far as suggesting setting up a new Ministry. But the proposed Commission for Information Technologies would act as a focus for the Government's efforts for defining and implementing its computer strategy.

He suggests it should be run as a separate decision-making body in conjunction with a 20-member co-ordinating committee composed of Ministers, business and union representatives. The new institution, attached either to the Prime Miinster's office or to the Industry Ministry, would unify the four main existing agencies.

M Lemoine suggests organising the Commission on the basis of four new operating agencies, each with separate tasks. This structure, be says, would give far greater efficiency to the computerisation strategy by pinpointing the four individual areas requiring action: the central administration and local anthorities; small businesses; large companies and the services sector; and education and communication.

M Lemoine's furthest-reaching criticism of government programmes surrounds official purchasing policies. He says the entire government electronics plan—built around the "filiere" concept of across-the-board action in individual inter-related areas—relies too much on the power of the state as a monopoly buyer.

The Government can give support in areas like public telecommunications or professional electronics, but these sectors make up only about 19 per cent of the entire electronics industry and their share is declining, he says.

He decries preferential purchasing policies for computers—started in 1967, long before the advent of the Socialist government—as "negative" and "ill-adapted to new technologies."

Successive government programmes which have given priority to official purchasing from the national computer company, CII Honeywell Bull, have led to 63 per cent of the administration's computers being French-made.

But the policy has also had many disadvantages. For example, it has discouraged active decision-making by computer specialists in the administration; and generally weakened the "vitality" of the Government's information technology projects.

M Lemoine says the buying policy necessitates a system of controls which can involve a great deal of energy for disappointing results. And he *points out that public sector* companies, which, unlike the central administration have followed an international purchasing policy in recent years, are extremely loath to follow the buy-French line decreed by the Government.

Among the nationalised companies, French-made computers make up no more than about 35 per cent of total equipment installed, a smaller percentage than many big private companies.

OVERSEAS CONTRACTS

Portuguese power order

Portugal's national electricity authority has placed a £5m contract with WESTINGHOUSE SYSTEMS, a Hawker Siddeley company. The order is for a highly sophisticated computer system to control the national electrical power supply network operated by Electricidade de Portugal (EDP). The Portuguese system will be responsible for the more economical operation and security of supply of a power network which extends over an area of 89,000 sq km. Based on a multiple configuration of computers, the system will comprise a national cootrol centre in Lisbon, four regional control centres and a data transmission network. The system is to be operational by December 1985.

*

The Department of Transport has awarded a contract worth $15.9m to John Mowlem and Co. for the construction of a 4.66 mile length of the M3 motorway between Bar End on the Winchester Bypass and Bridgets Lane, north of Abbots Worthy in Hampshire. This is the first of two contracts for the extension of the M3 from Popham to Bar End. There will be dual three-lane carriageways for the 1.25 mile length between Bar End and Easton Lane, where an interchange will be built to provide a junction with the A34 Trunk Road. The remaining 3.42 miles northwards to Bridgets Lane will be dual two-lane carriageways. The contract also includes the coostruction of a non-motorway road, known locally at the Spitfire Link, connecting the Easton Lane interchange, the Petersfield Road (A31) and Bar End.

UK NEWS

More orders for small companies as exports grow

BY IAN RODGER

SMALL businesses responding to a Confederation of British Industry (CBI) survey have reported higher levels of activity, improved orders and cautious optimism.

In mid-1981, nearly 80 per cent of those surveyed said their order books were below normal. In the latest survey only 35 per cent were below normal.

Miss Sonia Elkin, the CBI's director for small businesses, said: "Our members are reporting order books at their highest levels since February 1980.

"They expect some small rise in output over the next four months. This is encouraging but we start from a very low base."

Out of 1,778 companies surveyed, 886 responded. Those showing greatest improvement included makers of consumer goods, high technology products and motor components. Textile and machine tool companies were still suffering from weak demand.

Many reported that destocking was coming to an end and that they were starting to look for finance for restocking.

Christian Tyler adds: Exports of British goods and services could grow by 5 per cent in volume between the middle of this year and next, according to Trade Minister, Mr Peter Rees.

If achieved, that increase would be the biggest since the mid-1970s, Mr Rees said. "The UK now appears better placed for export-led growth than for a long time."

This optimistic forecast follows similarly buoyant statements by Prime Minister Mrs Margaret Thatcher and Sir Geoffrey Howe, Chancellor of the Exchequer.

Mr Rees emphasised the electoral message from a Government contemplating an early general election when he referred to "partisan cries that the UK has been declining into an industrial wasteland."

Britain's industrial and commercial base was "in the process of evolving, not disappearing," he claimed.

The UK was beginning to challenge West Germany as Europe's top electronics components market, and the aerospace industry had last year increased exports by more than £3bn, or 20 per cent.

Mr Rees said: "Even in areas of high import penetration like cars and washing machines, we have seen some heartening examples of UK manufacturers fighting back with new and radically improved products."

He referred to Britain's improved competitiveness created by the recent fall in sterling, a "sharp reduction" in inflation and faster productivity growth than all the UK's major competitor countries.

Even in the "chillier atmosphere of last year," total UK exports had risen 9 per cent by value and 2 per cent by volume, with manufacturing exports up 8 per cent in value and 1 per cent in volume.

Mr Rees said at a CBI luncheon that he would take up cases where industrialists could provide concrete evidence of unfair trading. He recognised industry's concern about such practices but stated the Government's commitment "to the broad principles of the open market."

● Sir Hector Laing, chairman of United Biscuits, has proposed that British companies should contribute up to 1 per cent of their pre-tax profits to community projects every year.

Pilkington's way with asbestos substitute

BY CARLA RAPOPORT

PILKINGTON, one of the world's leading glass manufacturers, has made a significant breakthrough on the development of a safe, cost-effective replacement for asbestos in flat and corrugated sheets.

The production of asbestos fibre used in the manufacture of asbestos cement has been associated with one form of cancer. Asbestos cement is primarily used by the construction industry for roofing and sheeting.

Pilkington says it has developed a method for using existing asbestos cement machinery so that it can produce reinforced cement with Pilkington's Cemfil 11 glass fibre.

The prohibitive cost of investing in new plant has been the major reason behind most asbestos cement manufacturers' reluctance to adopt substitutes for asbestos.

"The industry has been looking for alternatives," says Mr Wilfred Penny, of the Asbestos Information Council. "If they can adopt traditional machinery to their material and the result is comparable to asbestos cement, they must have a winner."

Glass fibre-reinforced cement, GRC, which has been used by the construction industry for more than 10 years, is normally manufactured using a spray process. Asbestos cement is manufactured under a process developed in 1908 which is much more complicated and capital-intensive than that used in making GRC.

Pilkington yesterday said it believed the fibre produced a stronger cement than that made with other organic fibre substitutes. Turner & Newall, Britain's largest asbestos products group, has been producing reinforced cement products for some months now with its polyvinyl alcohol fibre, which it licensed from a Japanese company.

Sales of traditional asbestos cement are projected to slump to £50m this year in the UK, compared with £57m last year, partly because of the depressed construction industry and the increased use of replacement materials.

Pilkington would not estimate potential sales of its fibre if it is accepted by the asbestos cement industry, but said it is working closely with several major European asbestos cement manufacturers on methods for modifying plant to accept Cemfil.

APPOINTMENTS

Senior post at Lloyds Bank

Sir Peter Ramsbotham has become a director of the clearing bank board of Lloyds Bank, LLOYDS BANK UK MANAGEMENT. He will succeed Lord Beeching, who retires at the annual meeting of Lloyds Bank UK Management as chairman of the Southern regional board of the bank. Sir Peter has retired *from his directorship of Lloyds* Bank International.

★

Mr W. Waite has been appointed to the board of F. PRATT ENGINEERING CRP as an executive director. To enable Mr Waite to carry out his broader responsibilities, he will relinquish his position as managing director of Pratt Burnerd International on April 25 when Mr Barry Watts takes over.

★

Mr K. G. Goodman has been appointed managing director, and Mr E. R. C. Farmer chairman, of a new export company within the GLAXO GROUP. Glaxo Export is responsible for the export of pharmaceuticals, other than bulk products, manufactured by group companies in the UK. Mr Goodman was formerly commercial director of Glaxochem, and Mr Farmer is a member of the board of Glaxo Holdings, the parent company.

★

Exports and marketing manager Ms Judith Monday, and general manager Mr Terry Norris have joined the board of INTERVISION VIDEO.

★

BERRIDGE ENVIRONMETAL LABORATORIES has appointed Mr Malcolm L. Hemming as a non-executive director. He is managing director of Dewplan (ET).

★

Sir Timothy Kitson has been appointed chairman of the PROVIDENT FINANCIAL GROUP on the retirement of Lord Chelmer. Mr P. W. Bratherton, company secretary has been appointed a director of the group.

★

Mr David W. L. Soulsby has been appointed to the board of MANUFACTURERS HANOVER INDUSTRIAL FINANCE as marketing director.

★

Sir Emrys Jones, has been appointed chairman of VELCOURT MANAGEMENT SERVICES. He was Principal of the Royal Agricultural College at Cirencester, and is now a regional director of, and agricultural advisor to, Lloyds Bank.

★

Mr Malcolm F. Tyler has been appointed to the board of SOGEMIN (METALS).

★

Mr Roy Riley has been appointed director, national accounts and earthmover division of NATIONAL TYRE SERVICE. He joined the board of National Tyre Service in 1979, and succeeds Mr Michael Hunt who has retired.

★

Mr Arthur Holmes has joined the board of LOWNDES LAMBERT GROUP and Mr Barry Hulbert has been appointed a director of Lowndes Lambert UK.

★

Mr Tony Lorenz has been appointed managing director of EQUITY CAPITAL FOR INDUSTRY. His appointment follows that of Sir Nigel Foulkes as chairman of ECI from the beginning of this year in place of Lord Plowden who has retired.

Mr Tony Lorenz, managing director of Equity Capital for Industry

Mr Jonathan Baker has joined ECI from Citibank as a senior investment executive, while Mr Drennan Wink, previously with L Messel & Co, has been appointed company secretary. Mr David Wansbrough, assistant director, completes the senior management team. Mr Brian Dean, who has been an executive director and general manager since 1981, has retired to pursue other business interests but will remain a consultant to ECI. Mr Lorenz has been an executive director of ECI since January 1981 when he became investment manager.

★

Following Mr Martin Drake's appointment as technical director of the ICAEW, Mr Martyn Jones has been appointed secretary of the auditing practices committee of the CONSULTATIVE COMMITTEE OF ACCOUNTANCY BODIES.

★

DRAKE AND SCULL HOLDINGS has appointed Mr Geoffrey C. Honeyball, as company secretary. Mr Honeyball, who has been with Drake and Scull for 13 years, has held senior finance and accounting appointments with the company's principal contracting subsidiaries. His appointment follows the resignation of Mr Ronald J. Simpson as finance director and company secretary, who has left the group to take up a position elsewhere. Mr Raymond G. Barton, who has been with the group since 1938 and financial director of the operating companies since 1970, has been appointed financial adviser to the group board.

★

BRITISH CALEDONIAN (CHARTER), *the airline jointly* owned by British Caledonian Airways and the Rank Organisation, has appointed Mr Frank Hope to the new position of managing director. Mr Michael Lee has been named finance manager. Mr Hope, a former director of British Caledonian Airways, joined British Caledonian (Charter) in November 1982 as acting chief executive. Mr Lee joins British Caledonian (Charter) from British Airways Helicopters where he was financial controller and company secretary.

★

Mr R. R. St J. Barkshire, *has* been re-elected chairman of the London International Financial Futures Exchange (LIFFE). Mr E. R. Porter, director of National Westminster Financial Futures, Mr C. S. McVeigh, managing director of Salomon Brothers International, and Mr D. A. Whiting, chairman of Comfin (Commodity and Finance) Co, have been appointed to the board of LIFFE. Mr J. Wigglesworth, managing director of W. Greenwell (Futures) has been re-elected a director of LIFFE.

★

At Rapid Metal Developments (Aust) Pty Sir Robert Douglas resigns as chairman but remains a non-executive director; Mr D. J. Lemon, managing director, becomes chairman; Mr J. R. T. Douglas, chairman and managing director of the Douglas Group, joins the board as a non-executive director; Mr R. J. Mierisch, managing director, of A. W. Baulderstone Pty, and Mr K. J. Cadman, managing director of Rapid Metal Developments, join the board as non-executive directors. At Rapid Metal Developments Mr H. C. Everett is appointed to the board. At Douglas Plant Mr S. A. Sedgbeer joins the board. At Douglas Environmental Engineering Mr K. E. Massey is appointed to the board as a director and general manager. Marshall, Davis and Co becomes non-trading and Mr G. E. A. Hounslow resigns as a director. Mr Hounslow remains responsible for the flooring, ceiling and contract furnishing activities which are being continued by R. M. Douglas Asphalt and Paving. The companies are all members of ROBERT M. DOUGLAS HOLDINGS.

★

MALLINSON-DENNY (SCOTLAND) has appointed Mr Nicholas Clark as financial director. Mr Matthew Clark, the former financial director, retains his seat on the board and continues his role as company secretary. Mr Clark was finance director of Findlay Hardware Group.

★

Mr G. Holdsworth has resigned as chairman of DODWELL AND CO but will continue to serve as a director and as an executive director of Inchcape, parent company of Dodwell. Mr L. A. Radbourne has been appointed chairman of Dodwell following his return to London from the Far East.

★

Mr Nicholas G. Panes has been appointed group financial director of JOHNSTON GROUP.

★

Mr Peter Miles has succeeded Mr Maurice Hetherington as managing director of DAVID BROWN TRACTORS. Mr Miles was director of manufacturing.

★

Mr F. M. Irons and Mr J. C. Frame have retired as directors of CALEDONIAN ASSOCIATED CINEMAS. Mr C. K. MacKenzie has been appointed director and general manager of the group. Mr M. J. Paterson presently company secretary joins the board as finance director and Mr P. L. Perrins becomes company secretary.

★

Mr Robin S. Napier has been appointed a director of MARLAR INTERNATIONAL.

★

Mr Frederick E. Cleary, chairman and founder of HASLEMERE ESTATES, has been appointed president of the company. Mr David M. Pickford, the present managing director,

Mr Gerald Powell, Haslemere Estates managing director

has become chairman: both men have worked together for nearly 34 years. Mr Gerald Powell, who has been with Haslemere for 19 years was deputy managing director for some time, has been appointed managing director.

★

Mr G. S. Pearson has been appointed chairman of SHAW AND MARVIN, Mr C. A. Gooch, the previous chairman, became deputy chairman. Mr Pearson retired as group managing director and Mr D. Scott, a recently appointed director, became chief executive.

TECHNOLOGY

EDITED BY ALAN CANE

JERROLD STATES A CASE ON THE FUTURE OF BRITISH CABLE TELEVISION

New cable TV company name in UK

BY GEOFFREY CHARLISH

A NEW name is obout to make its appearance on the British cable television scene. It is Jerrold, a division of the $950m turnover General Instrument Corporation.

Jerrold already has its equipment in about half of the 28m or so U.S. homes that have cable TV.

Of some significance is the fact that of the $173m profit that GI made last year, over 60 per cent was attributable to cable television equipment manufacture.

So *GI this week fielded* John Tinsley, vice president and general manager of Jerrold International Division with engineering director, David Kent and marketing manager, Mike Newman to state the company's case—albeit rather late in the day—on the future of cable TV in the UK.

Conventional

As might be expected in view of tha many years of *experience* with such systems in the U.S., Jerrold is backing the tree and branch philosophy using coaxial cable. Not for them, at this stage at any rate, are star systems or optical fibre cable. As tinsley puts it: "It's all down to what the customer wants and what he is willing to pay for it."

He *states* quite categorically that "neither *star switching* or fibre optics can compete at present with established conventional technology."

Tinsley was keen however, to dispel any idea that GI might be seen as "the big *boy* from the U.S. which intends to make a quick killing on the British scene." In fact, he said, Jerrolds has been established here since 1972 and already has ten years' experience in the European market.

In 1979 the company acquired the cable TV research and manufacturing rights of the former EMI group and has continued to manufacture in the UK. It claims to have "captured most of the market in continental Europe" and is using units mainly made in the UK.

A surprising number of *different* kinds of equipment are needed to implement a cable TV system and Jerrold emphasises that it manufactures all of them, with the exception of the cable itself, and can *supply immediately*.

Television signals for the subscriber are mustered from the various programme sources at the "head end" of the system with which is associated a control centre that determines what each subscriber may receive and also deals with his billing.

The TV channels are then multiplexed on to the trunk coaxial cables (in effect, each is given a separate carrier frequency like ordinary broadcast TV, allowing the channels to be separated for use later on).

Typically, these channels occupy the VHF band 45 to 450 MHz—VHF is used rather than the UHF frequencies more familiar to viewers since losses are lower and there is economy in the provision of en-route amplifiers.

When the trunk passes an area where service is needed, a "trunk-bridger" provides a number of powerful outputs on branch cables that are laid to pass as many homes as possible. These cables are then tapped with passive (non-amplifying) devices to provide service to each home over "down drop" cables.

Thus, entering each home on a *single* coaxial cable are all 30 TV channels, a number of FM radio programmes and possibly some data signals. The last two would be dealt with separately by suitable user terminals but the TV channels have to be up-converted to UHF to suit the modern TV set.

In fact, in the Jerrold system all the incoming TV channels are converted to a single UHF frequency on selection—the viewer simply leaves his set tuned to that channel and the converter is controlled by an infra-red hand unit.

Contained in the converter is what amounts to a programmable de-scrambler. All the channels are sent from the head-end in scrambled form, but the subscriber's unit can only decipher those for which he has paid.

Invalid

If he demands any other, he will probably be shown a menu screen displaying prices and a means of agreeing to pay—but UK requirements on this score are not yet settled.

According to engineering director David Kent, objections *about the cost of descrambling* are now invalid. It has all been committed to an LSI chip he says; many millions have been made and it is already a sizeable business in its own right.

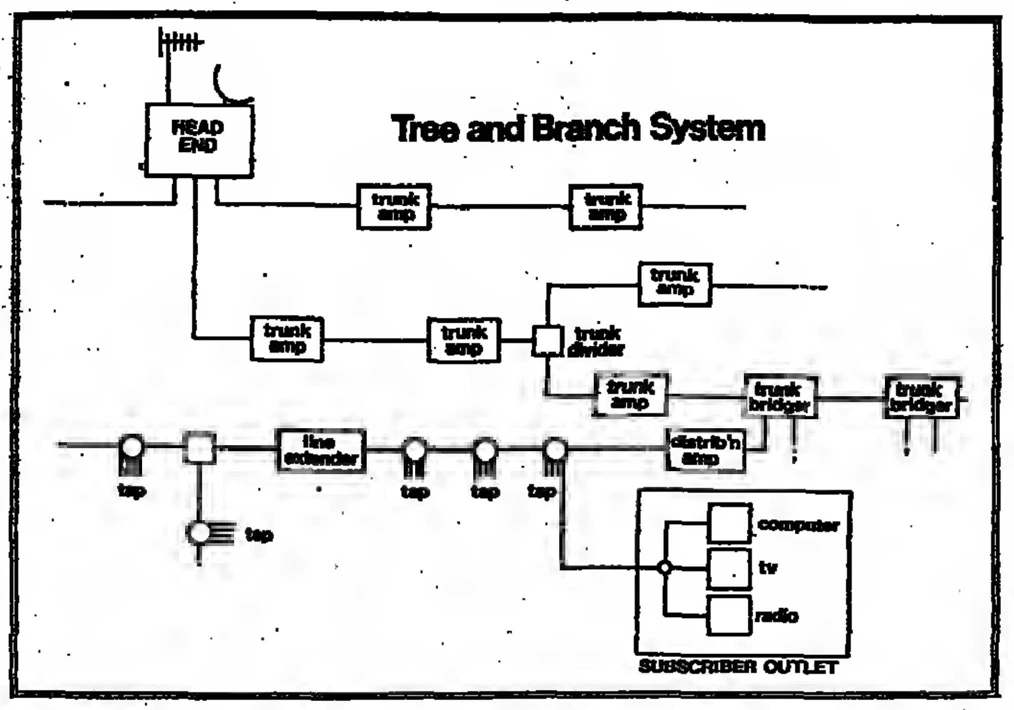
The system can have 0.25m ontlets each with its own unique coded address. Services available at each ontlat can be controlled from the central computer which scans all tha addresses continuously, receiving instructions from the subscribers and changing the authorisation date in the home converter memories as required.

Implemented

On the thorny topic of what cables should be actually buried under the streets, GI sees no reason why a star topology should not be used initially, the system being tree and branch in all other respects for a period of perhaps eight to 10 years, when a change to total star could be implemented fairly easily.

Whatever national decision is taken, GI says it expects to win a major share of the manufacturing and supply business. Up its sleeve it has a design for a separate business cable system called Metronet and other plans for an enhanced domestic data system for videotex, personal computing and video transmission.

Tinsley sums it up: "It is the policy of General Instrument to be a major supplier in any market—or get out of it."



Jerrold, the General Instrument subsidiary, already has some *50 per cent of cable TV homes in the U.S. equipped with* the kind of set-top home unit seen above. Using a hand-held infra-red keypad, the user selects one of the 30 channels coming off the cable. Diagram shows Jerrold's tree and branch network approach.

ALFA-LAVAL INTO HIGH TECH

Swedish venture capital set-up

BY ELAINE WILLIAMS

THE EARLY fortune of Gustaf de Laval was based on his invention to separate cream from the milk. Now his company, Alfa-Laval, one of Sweden's biggest industrial concerns, is hoping to invest in the cream of Sweden's high technology companies.

This week it announced that it was part of a consortium to set up a new high risk venture capital company called Four Seasons Venture Capital. This has been set up with a capitalisation uf SKr 100m (U.S.$13.5m) which makes it one of the largest venture capital companies in Sweden. Today there are less than o dozen venture capital companies in the country.

The rest of the investors in Four Seasons are the Swedish Staff Pension Society, one of the two state owned labour market insurance funds, and the Fourth National Swedish Insurance Pension Fund. There are also unnamed private Swedish and *U.S. investors*.

The reason for tha new venture is an awareness that small, high technology companies find it difficult to obtain risk capital in Sweden. The idea is to provide investment by taking a minority shareholding in promising companies.

Alfa-Laval has been looking for a suitable venture capital company for some time, said Mr Harry Faulkner, president and chief executive. Even before joining the consortium, Alfa-Laval had begun to make important investments of its own and acquisitions in high technology.

For example, it took a shareholding in Genentech, the promising U.S. biotechnology company and formed its own biotechnology company, AC Biotechnics, in collaboration with another Swedish company, Cardo.

Alfa-Laval has wide interests in fields such as marine technology, food processing and production industries end energy. The company was established exactly 100 years ago in Stockholm. Now it has a staff of 18,500 in 140 companies spread over 35 countries. Last year its sales were U.S.$1.2bn and the *group invested some U.S.$44m* —3.5 per cent of its turnover in research and development.

Biotechnology is recognised as an important part of that research. The new AC Biotechnics venture will *benefit from* Alfa-Laval's expertise in separation technology and Cardo's *experience in genetic engineering*, fermentation, industrial adaptation of products and manufacture of biotechnology based products.

In the short term Alfa-Laval's own research will be aimed at the new technological challenge of ultrafiltration. This is separating materials such as proteins and fats by passing liquids under pressure over membranes containing microscopic holes.

For some time the company has been involved in biotechnology related industries such as the development of new fermentation processes, including a new way of making ethanol by the continuous fermentation of grains containing sugar and starch. The process has the advantage of being a low energy way of producing ethanol.

Called the Biostil process it is now in industrial scale operation in Brazil to make 98 per cent pure ethanol for used directly as e motor fuel. In Brazil about 25 per cent of the country's cars now run on the fuel. A new plant is also under way in Sweden to produce ethanol as e 25 per cent blend with gasoline. This is usually called *gasohol*.

Noise

Sound cancelling

THERE IS now a 1.5 tonne diesel generator on the roof of Essex University, but it can be heard only with difficulty because its sound output is being cancelled by a system constructed at the University's Wolfson Centre for Electronic Cancellation of Noise and Vibration.

Developed over several years by Professor Barrie Chapman and associate Rod Smith, the system generates "anti-sound" from loudspeakers placed close to the sound source on the diesel (the inlet and exhaust pipes) and is self-adaptive.

This means that, if the sound changes due to a change of engine revolutions or load, the controlling computer senses the change and alters the loudspeaker sounds accordingly.

The Centre is also working on anti-noise headphones which isolate the wearer from, say, the intense noise of an engine room, allowing him to hold a normal conversation. More on 0206 862286 ext *2004*.

Ceramics

Elasticity measuring

AN AUTOMATIC system for measuring the elastic modules of fine ceramics—claimed to be the first system of its type in the world — has been developed by the Toshiba Corporation in Tokyo.

There are two basic methods of measuring the elastic modules of ceramics, either by resonance or ultrasonics. Toshiba says it has used the latter approach with a heat-resistant buffer rod to link the test sample with measuring/processing equipment.

Toshiba, which is patenting the system, is at 1-6, Uchisaiwai-cho 1-chome, Chiyoda-ku, Tokyo 100 (tel: (03) 501 *5411, ext 2343*.

Analysing

Signalling

A DUAL channel signal analyser for use in mechanical, acoustic, modal and electronic analysis has been *introduced by Bruel & Kjaer*, Hounslow. The model 2023 has an 801 line resolution in either single or dual channel mode. The total frequency range of the instrument is 25.6kHz which can be subdivided into 15 smaller spans anywhere within the range. More information is available on 01-570 7774.

BL's new Maestro and Metro: getting the message in the nick of time?

Design as a key commercial weapon

BY CHRISTOPHER LORENZ

FOR THE past few weeks readers of "quality" British newspapers have been treated to a spate of full-page advertisements, paid for by the Government, extolling the theme of "Design for Profit." If companies want to survive in the market place, runs the message—which has the strong backing of the Prime Minister, Mrs Thatcher—they should pay greater attention to the internal and external design of their products.

The Government's campaign, which runs until October, will be reinforced next month by publicity about the Duke of Edinburgh's presentation of the annual awards given by the Design Council—a quasi government body (or "quango") which is virtually without parallel on the international stage.

Why is Britain so peculiar in having to make such a fuss about something which is deeply ingrained in the consciousness of manufacturers in other countries—from Germany to Japan, from Sweden to Italy? Because the average UK industrialist is still blind to it. Only at the eleventh hour have many companies woken up to the message that good design and product quality are vital to their survival. For some, like Stone Platt, the ill-fated textile machinery maker, it was too late. For others, like BL with its manifestly well designed Metro and Maestro cars, the penny may have dropped in the nick of time.

Most of the available explanations of this conundrum are as convoluted as the subject itself; several are intertwined with the recent controversy (especially in the columns of the FT) about Martin Wiener's book "English Culture and the Decline of the Industrial Spirit, 1850-1980."†

Now, a surprisingly succinct explanation has been proffered—surprising because it is couched largely in terms of economic theory. Its source is Professor Christopher Freeman who, as head of the Science Policy Research unit at Sussex University, has long been one of the foremost international academics in the field of economics and technological innovation.*

Outdated

He propounded his theory in London late last month at a conference organised by the Department of Design Research at the Royal College of Art. Much of the problem lay with Britain's continued adherence to outdated theories of comparative advantage and international trade, in which the role of technology was neglected, said Freeman, while that of the relative cost of labour and capital was exaggerated. Germany had abandoned such concepts in the 19th century, and Japan after the Second World War, he claimed.

The industrial and government establishment which rose to power in Germany in the second half of the 19th century was influenced by economists not from the classical school, as in Britain, but from that of Friedrich List, according to Freeman.

An advocate of national technology strategies, List stressed the importance of: the interaction between "mental capital" and "material capital," or as we might put it today, between "hardware" and "software"; of *importing foreign (especially* English) technology; and of taking a very long term view in the development and application of policies.

Freeman attributed indirectly to List the early development in Germany of an education and training system which was capable "of putting the whole process of acquiring and disseminating world technology on a regular and systematic basis."

The advantages of this system, said Freeman, were recognised *belatedly* by the *British. But this recognition was* never sufficiently widespread to overturn the dominant influence of the *classical school* on industrial, economic and education policy.

In its struggle for international competitiveness, meanwhile, Germany continued to rely not just on the classical weapons of relative cost advantages—or disadvantages—and tariffs, but on building a technological lead in whole swathes of industry, notably chemicals and electrical engineering.

The same applied to Japan, said Freeman. After an intense debate in the immediate post World War II period, "Japan specifically rejected a long term development strategy based on traditional theory of comparative advantage, which was apparently at that time being advocated by economists in the Bank of Japan and elsewhere.

"They had advocated a 'natural' path of industrial development, based on Japan's relatively low labour costs and comparative advantage in labour-intensive industries such as textiles." In the early 1950s, the Bank of Japan even blocked loans for a large up-to-date steelworks, and Sony was obliged to postpone imports of transistor *technology because of official opposition.*

But official policy rapidly swung towards advanced technological development, with—according to Freeman—an unusual emphasis on a "systems approach" to the design and re-design of entire products and production processes, whether in shipbuilding, colour televisions, machine tools or any other industry.

All this will irritate the traditional economist, who is still sceptical about whether technology is a key determinant of a country's economic growth and trade performance. But it may also confuse the practical businessman. When Freeman talks about "design," doesn't he mean "technology"? What's the difference?

Grey area

Freeman's paper went some way towards clarifying what is undoubtedly a grey area, by defining four different types of design: experimental design; design engineering; fashion design; and design management.

To start with, he drew a familiar distinction between invention and innovation; invention was "the bright idea for a new product, process or system," while innovation was its commercial realisation, its introduction into the economy.

Within the innovation process, Freeman suggested, research and development played an important early role, as did "experimental design" within it. But R and D had to be followed by a series of other management processes: design engineering; what Freeman *called "fashion design" in its* widest sense (especially appearance and shape); production engineering; market research and other aspects of marketing. The process of planning, co-ordinating and managing this broad innovation process could be called "design management," said Freeman.

This all gives some clue as to why a few companies, even some in heavy engineering such as Baker Perkins (see this page, March 4)—have given their industrial designers a central and highly influential role in the product development process.

It also explains why designers, and especially design consultants, can make such a nuisance of themselves with general management in wanting to influence a company's entire new product programme, and thereby its marketing strategy. But, if design is as crucial to industrial competitiveness as Mrs Thatcher and Professor Freeman maintain, and as the strength of West German and Japanese manufacturing suggests, then it is axiomatic that designers should be given greater influence in management.

† Cambridge University Press, price £4.95 (paperback), £9.95 (hardback)

** Design and British Economic Performance. Available from Department of Design Research, Royal College of Art 25 Kensington Gore, London, SW7*

The changing face of American boardrooms

BY ARNOLD KRANSDORFF

THERE ARE many more women and members of ethnic and other minorities on the boards of U.S. companies than there were ten years ago. But their number—most of them are non-executive directors—is now not growing nearly as fast as it was, according to a new study of American boardrooms.

The study also suggests that the non-executive majority on boards is now in a position to consolidate and increase its power. In order to carry out their expanded duties, the non-executives will form their own management and administrative groups to advise and give them support; greater use will be made of outside professional advisors to report directly to the board.

These predictions emerge from the tenth study* into the composition of U.S. boards by Korn-Ferry International, the head-hunters.

The survey found that women now sit on the boards of 40 per cent of a sample of more than 600 U.S. companies, against 11 per cent a decade ago. Over the same period the number of boards with a member of a minority group on it had risen from 9 per cent to 23 per cent. The companies surveyed covered a wide range of sectors and sizes.

Referring to the increased presence of women and ethnic minorities on U.S. boards, Korn-Ferry says: "While the 10-year trend was up dramatically, we have observed that the trend is flattening. Boards will now seek directors with operating *experience as the primary* requirement."

Korn-Ferry found that women, members of ethnic minorities, former government officials and academics have been replacing attorneys, bankers, major outside shareholders and retired employees on the boards of major companies.

A consequence of these fundamental changes over the past 10 years has been a shift in the balance between executive and non-executive directors—indeed an average-sized board of 13 directors now includes nine non-executives, according to the survey.

It found that the number of companies with former government officials on their boards had almost doubled to 28 per cent since 1973. Academics are now represented on 50 per cent of company boards, against 35 per cent a decade ago.

In contrast, only 28 per cent of companies had attorneys as directors, against 52 per cent 10 years ago. The board representation of commercial bankers was down from 55 per cent to 34 per cent of companies and investment bankers down from 37 per cent to 24 per cent.

Fewer companies also were co-opting major outside shareholders and retired employees to their boards.

Korn-Ferry notes that the use of audit, compensation and executive committees has escalated over the years. Audit committees are now almost standard among U.S. companies. Today, 98 per cent of companies have one, compared with 72 per cent a decade ago.

Korn-Ferry says that renewed legal and fiduciary responsibilities of board members as well as increased duties and other demands on their time will greatly reduce the population of potentially qualified directors — leading to an intensely competitive environment of recruitment.

**Board of Director Tenth Annual Study, available from Korn-Ferry, 277, Park Avenue, New York, NY 10172. Price $10.*

Management abstracts

Early retirement incentive planning. L. B. Baenen and R. C. Ernest in Personnel Administrator (U.S.) August 1982.

Looks at advantages of voluntary early retirement as a means of reducing size of workforce without layoffs; examines the pros and cons of incentives and gives advice on how they should be communicated to employees.

Country risk analysis. J. Merrill in The Columbia Journal of World Business (U.S.), spring 1982.

Explains the principles of country risk analysis, describes the techniques used by Marine Midland Bank in ranking countries for lending, and tells how this analysis is used in the loan decision.

The years before retirement. H-H Heyman and L. J. Seiwert in Management Zeitschift (Switzerland), July-August 1982 (in German, English version available).

Discusses attempts to get away from the suddenness of retirement when an employee reaches a certain age, and discusses alternatives, eg. one named (German) union has negotiated an agreement under which an employee may, during the last two years of employment, work half-time (at full pay) or not at all (while being paid three-quarters salary), provided he gives six months' notice. Other examples include additional free days and extra privileges within a flexible working hours set-up.

Planning for computer disaster. E. Goldblum in The Architects' Journal (UK), October 27 1982.

Sets out threats and disasters that could affect computer installations, the principal defences against them, and the losses they might inflict; outlines the nature of contingency planning, stressing the need for back-up arrangements. Looks specially at the state of disaster planning by architect practices with computers—and finds them muddling along like everyone else.

Managing with new technology. B. Wilkinson in Management Today (UK), October 1982.

Describes how the small Derby Optical Company have adapted their work organisation to counteract the de-skilling effects of new technology; they have introduced job rotation to reduce boredom, increase motivation/involvement, and reduce errors caused by inattentiveness.

These abstracts are condensed from the abstracting journals published by Anbar Management Publications. Licensed copies of the original articles may be obtained at £3 each including VAT and p+p; cash with order) from Anbar, P.O. Box 23, Wembley, HA9 8DJ.

THE ARTS

Arts Week

F	S	Su	M	Tu	W	Th
15	16	17	18	19	20	21

Opera and Ballet

WEST GERMANY

Berlin, Deutsche Oper: La Boheme with Pilar Lorengar; Don Giovanni sung in Italian; e new production of The Merry Wives of Windsor with Alfred Kuhn as Sir John Falstaff *and Norma Sharp as Mrs Fluth;* Ein Maskenball. (34381).

Hamburg Staatsoper: Der Liebestrank with a cast headed by Guiseppe Taddei; Die Trojaner with Karan Armstrong and Harald Stamm in the main roles; Eugen Onegin with Wolfgang Schöne. (351151).

Frankfurt Opera: Akiko Kuroda triumphs in the title role of Madame Butterfly conducted by the talented young American Judith Somoghi. Tannhäuser is presented with Karl Ridderbusch and Maria Slatinaru in the leading roles. Don Giovanni with guest singer Judith Beckmann as Donna Elvira will be presented for the last time this season. Die Hochzeit des Figaro is perfectly cast with Judith Beckmann and Roland Hermann as Graf and Graefin in Almaviva. Un Ballo in Maschera with outstanding tenor Luis Lima closes the week. (25621).

Munich Bayerische Staatsoper: Don Giovanni with Edith Mathis and Stafford Dean, Madame Butterfly with Raina Kabaivanska in the title role; Die Vier Grobiane and Manon Lescaut. The latter is produced by Giancarlo del Monaco featuring Raina Kabaivanska in the title role. Ghena Dimitrova triumphs in Tosca. (21851).

ITALY

Milan, La Scala: Lohengrin conducted by Claudio Abbado and directed by Giorgio Strehler; Tchaikovsky's Sleeping Beauty.

Venice, Teatro Malibran: Carolyn Carlson dance performances.

PARIS

Internationales Ballet Zentrum Berlin – Theatre des Champs Elysees (6663687).

London Festival Ballet La Sylphide with Natalia Markova, Eva Evdokimova and Peter Schaufuss. TMP-Châtelet (261 1983).

La Traviata conducted by Alain Lombard at the Opera Comique – last days (2960611).

LONDON

Royal Opera, Covent Garden: Don Carlos in French and in the little-known original Paris version, makes for a long, heavy five hours in the Royal Opera's exceedingly lacklustre revival, conducting by Bernard Haitink. Poulenc's Carmelites, not seen here for more than two decades, returns (in English) with a splendid cast led by Felicity Lott, Regine Crespin, Pauline Tinsley, and Valerie Masterson. The Don Pasquale series has two sweet-voiced romantic leads in Luciana Serra and Francisco Araiza, and Geraint Evans repeating his famous account of the title role. (240 1066).

English National Opera, Coliseum: The Force of Destiny, though unequal in some of its components, good with energy and force, thanks above all to the magnificent Leonora of Josephine Barstow and the splendidly expansive conducting of John Manceri. Fledermaus returns for another round of performances. (836 3161).

NEW YORK

Metropolitan Opera: Final seasonal performances of Parsifal conducted by James Levine with Tatanlana Troyanos, Timothy Jenkins and Simon Estes and Il Barbiere di Siviglia complete the seasoo as the company packs for its national tour. Opera House, Lincoln Center (580 9830).

Paul Taylor Dance Company: Two world premieres, Sunset and Snow White, are included in the 24-performance season of one of America's veteran modern dance troupes. City Center (581 7907).

WASHINGTON

Metropolitan Opera: National tour begins with performances this week of Adriana Lecouvreu, Der Rosenkavalier, and Boris Godunov. Opera House, Kennedy Center (254 3770).

VIENNA

Staatsoper (5324/2655): Ariadne auf Naxos, Die Meistersinger von Nürnberg, Andre Chenier, Madame Butterfly.

Volksoper (54324/2657): Die Csardasfürstin, Gasparone, Die Lustige Witwe.

Fanciulla del West in Canada

The Canadian Opera Company's spring season begins appropriately enough with Puccini's Fanciulla del West based on David Belasco's play Girl of the Golden West. Leading the cast as Minnie, the sweetheart of the Sierras in thia Gold Rush romance, is company veteran Johanna Meier, who was the first American Isolde at Bayreuth. The production is conducted by Berislav Klobucar, the principal conductor of the Stockholm Opera, with Giorgio Lamberti as bandit boyfriend Dick in a saloon setting designed by Robert O'Hearn for the New York City Opera. The company founded in 1950, is negotiating for its own home in Toronto while preparing the second spring season offering of The Coronation of Poppea, sung in Italian but with English subtitles projected across the top of the stage. Under general director Lofti Mansouri, the company tours throughout Canada and, for the time being, is based at the O'Keefe Centre, Toronto where these productions are being performed. (365 9744).

Music

PARIS

Anne-Sophie Mutter, violin. Alexis Weissenberg, piano: Brahms sonatas (Mon) Salle Gaveau (563 2030).

Orchestre Symphonique de Radio Luxembourg conducted by Leopold Hager with Christa Ludwig: Mendelssohn, Berlioz, Schumann (Mon) TMP-Chatelet (261 1983).

Radio France – Orchestre National de France conducted by Christoph von Dohnanyi. Michel Chocquenoy, oboe: Kodaly, Ibert, Bruckner (Tue) Theatre des Champs Elysées (7234777).

Paris Opera Choir and Orchestra conducted by Marek Janowski, soloist Hanna Schwarz: Mahler's 3rd Symphony (Wed), Theatre des Champs Elysées.

Orchestre National de Monte Carlo with Lawrence Foster, Olivier Charlier: Mendelssohn; Prokofiev (Thur) Salle Pleyel (563 8873).

Jean Michel Varache, Bertile Fournier: Handel, Bach, Satie, Gaubert (Thur 3pm and 6pm) Salle Chopin-Pleyel (563 8873).

Orchestre de Paris with Dietrich Fischer-Dieskau and Hartmut Hoell: Brahms (Wed) Salle Pleyel.

Ensemble Orchestral de Paris, Brahms, Schubert, Offenbach (Thur) Salle Gaveau (563 2030).

LONDON

London Philharmonic Orchestra conducted by Jesus Lopez-Cobos with Andras Schiff, piano, Vaughan Williams, Schumann and Sibelius. Royal Festival Hall (Mon). (928 3191).

Royal Philharmonic Orchestra conducted by Charles Dutoit with Pascal Roge, piano. Dukas, Ravel and Dvorak. Royal Festival Hall (Tue).

Chilingirian String Quartet with Andrew Marriner, clarinet. Brahms series. Queen Elizabeth Hall (Tue). (928 3191).

Itzhak Perlman, violin and Vladimir Ashkenazy, piano. Brahms sonatas. Royal Festival Hall (Wed).

London Sinfonietta conducted by Antony Pay with Philip Langridge, tenor. Britten. Queen Elizabeth Hall (Wed).

English Chamber Orchestra conducted by Steuart Bedford with Moura Lympany, piano, Felicity Lott, soprano and Barry Tuckwell, horn. Mozart. Barbican Hall (Wed) in the presence of Princess Margaret. (638 8891).

ITALY

Rome: Auditorium via della Conciliazione: Franco Mannino conducting Glinka and Ravel. (Mon and Tue).

Rome: Auditorium Foro Italico: Berlin Philharmonic soloists and Raymond Havenith, piano. Bach, Schubert and Schumann (Wed).

ZURICH

Tonhalle (2011580): Tonhalle Orchestra with Christoph Eschenbach, piano and conductor, Mozart, Kagel and Brahms. (Tue and Wed).

VIENNA

Musikverein (658190): Itzhak Perlman, violin, Vladimir Ashkenazy, piano. Brahms sonatas (Mon).

Konzerthaus (721211): Haydn Trio. Mozart. Brahms and Takacs. (Mon); Chamber Music Soloists. Haydn und Brahms. (Wed).

NEW YORK

New York Philharmonic: Zubin Mehta conducting, Gidon Kremer violin. Wagner, Debussy, Brahms (Tue): Zubin Mehta conducting. Jessye Norman soprano, John Cheek bass, Hans Hotter narrator with the Westminster Choir. Schoenberg (Thur). Avery Fisher Hall (874 2424).

Chicago Symphony: Sir Georg Solti conducting. Siegmund Nimsgern bass-baritone, John Cheek bass, Gwynne Howell bass. Wagner (Mon); Solti conducting. Mozart Bartok, Dvorak (Tue). Carnegie Hall (247 7459).

Orchestre de Paris: Daniel Barenboim conducting. Brahms, Debussy, Ravel (Thur). Carnegie Hall (247 7459).

Carnegie Recital Hall: American Brass Quintet. Bertali, Holborne, Jorgensen, Silverman (Mon); Ronald Copes violin recital. Stravinsky, Wolpe, Laderman, Hartke, Bartok (Thur). (247 7459).

Merkin Hall: Robert Black piano recital. Shepey, Passacaglia (world premiere), Martino, Beethoven (Mon); New York Pro Arte Chamber Orchestra, Raffael Adler conducting. Rossini, Haydn, Verdi (Tue); Mordecai Shehori piano recital. Czerny, Beethoven, Faure, Liszt, Ravel (Wed); Richard Rodney Bennett and Susan Bradshaw duo piano recital. Bax, Bennett, Holst (Thur). (67th St. W. of Broadway, 362 8719).

Theatre

LONDON

A Map of the World (Lyttelton): Brilliant new play by David Hare, set in a luxury Bombay hotel where a Unesco conference on world poverty has been convened. Chill, meticulous production by the author has strong performances from Roshan Seth (Nehru in the film Gandhi) as an Indian novelist, Bill Nighy as a journalist and Diana Quick as the actress in the middle of an ideological showdown. (928 2252).

Noises Off (Savoy): The funniest play for years in London, now with an improved third act and a top-class replacement cast. Michael Blakemore's brilliant direction of backstage shenanigans on tour with a third-rate farce is a key factor. (836 8888).

Yakety Yak (Astoria): Enjoyable potpourri of songs by Lieber and Stoller, evocative of the 1950s and '60s, and exuberantly performed by a Liverpudlian quartet of brothers and The Darts. (437 6565).

The Real Thing (Strand): Fascinating, enjoyable new Tom Stoppard play which examines a playwright's attitudes to work, music and love in characteristically well-written, complex vein. A tone of serious levity is well struck in Peter Wood's production and the performances of Roger Rees and Felicity Kendal. (836 2660/4143).

Other Places (Cottesloe): Triple bill of Harold Pinter plays superbly directed by Peter Hall. Pinter breaks new ground in A Kind of Alaska, Judi Dench outstanding as a woman coming out of coma after 29 years and accelerating from small girl to adult maturity in half an hour. (928 2252).

Trafford Tanzi (Mermaid): Exuberant play starring Toyah Wilcox that sets the battle of the sexes in a wrestling ring. This fringe success has reopened the embattled City of London venue. (236 5568)

NEW YORK

Brighton Beach Memoirs (Alvin): As usual, Neil Simon is more funny than touching even when recalling painful puberty in 1937 as his family struggles with the Depression, with an excellent cast led by Matthew Broderick as the aspiring teenage writer. (757 8646).

Showboat (Uris, 51st W. of Broadway): A cast of 50 from the Houston Opera company *led by Donald O'Connor* revives the Kern-Hammerstein musical of 1927 with its brilliant score including songs Ol' Man River, Bill and Make Believe.

A View from the Bridge (Ambassador): Broadway and Arthur Miller finally have a hit for the new year – Arvin Brown's musty but true revival of the melodrama of forbidden love in New York dockland. Tony LoBianco may reach the full pitch of contrived despair too soon, but audiences love the schmaltz, even in an Italian accent. (239 6200)

Amadeus (Broadhurst): David Dukes stars as Salieri in the award-bedecked and elegant National Theatre production of Mozart's life. (247 0472)

Agnes of God (Music Box): The fiery trio of Elizabeth Ashley, Geraldine Page and Carrie Fisher enliven a somewhat over-written clash of ideologies. (246 4636)

Joseph and the Amazing Technicolor Dreamcoat (Royale): The first work by Andrew Lloyd-Webber and Tim Rice in a lively and imaginative rendition directed by Tony Tanner. (245 5760)

Nine (46th St): Two dozen women surround Raul Julia in this Tony-award winning musical versioo of the Fellini film 8-½, which like the original celebrates creativity, here as a series of Tommy Tune's exciting scenes. (246 0246)

Extremities (West Side Arts, 43rd W. of 9th Av.): The realistic portrayal of sadistic rape, with which the play opens, makes for uncomfortable but rich drama, and author William Mastrosimone manages to maintain high energy levels to challenge an excellent cast led by Susan Sarandon and James Russo. (541 8394)

Marcel Marceau (Belasco): If anyone can cheer up Broadway's sagging season it should be France's favourite silent clown. (239 6200)

On Your Toes (Virginia): Natalia Makarova with presumably a genuine Russian accent leads an exuberant cast in the remake of Rogers and Hart's 1936 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (977 9370)

WASHINGTON

Make and Break (Eisenhower): Michael Frayn's zany tragicomedy of contemporary salesmanship writ large at convention time gets its American premiere with telly star Peter Falk in the Leonard Rossiter role, directed as in London by Michael Blakemore. (254 3670).

Geniuses (Arena): A takeoff of the shooting of Apocalypse Now in the Philippine jungle captures, if not the real Hollywood, at least the East Coast assumptions about it, which are funny enough. (488 3300)

CHICAGO

The Dining Room (Goodman, 200 S. Columbus Dr.): A. R. Gurney Jnr's vision is confined by four walls, the four walls of e middle-class New England family as it changes with its inhabitants. (443 3800)

Duet for One (North Light Rep, 2300 Green Bay, Evanston): Tom Kempinski's slightly veiled story of the painful and frustrating accommodation of a concert artist in growing debility stars Eva Marie Saint. (869 7278)

E. R. (Organic, 3319 N. Clark): This hit-and-miss local company has e long-running success with an earnest parody of hospital-based melodramas, starring Gary Houston as an ambitious young doctor, Sbuko Akune as the receptionist and Lily Monkus as the authoritarian nurse. (327 5588)

Gardenia (Goodman) John Guare picks e post-U.S. Civil War setting for his latest play, following up Bosoms and Neglect with idealism trying in set down roots in innocent.

VIENNA

Vienna's English Theatre (421 260): Hughie and Before Breakfast: two one act plays by Eugene O'Neil. (Daily except Sun)

Theater an der Wien (579 632): Anatevka (Daily except Mon).

Exhibitions

PARIS

Giorgio di Chirico: Beaubourg is showing some 100 paintings and 40 drawings by De Chirico, including the most important ensemble of his metaphysical work ever. Centre Georges Pompidou, Grande Galerie, 5th floor. (277 1112). Closed Tue. Ends April 25

Claude Gellée or Le Lorrain (1600-1682), as his name indicates, was born in Lorraine but spend his creative years in Rome. He was a painter of luminous landscapes and a poet of the sea. Be influenced Turner and Monet and was admired by Goethe and Keats. His love of nature charmed the English, yet his compatriots failed to appreciate him fully. Thus many of the oils, drawings and engravings in this exhibition, significantly organised on the initiative of the National Gallery of Washington, will be seen for the first time in France. Grand Palais. Closed Tue. Ends May 16 (260 3926)

Claude Monet: Homage is paid to his Giverny period with 45 of his paintings, *including the nympheas*, at the Centre Culturel du Marais, 28 Rue des Francs-Bourgeois (277 3225). Closed Tue. Ends July 17th.

Edouard Manet: An exceptional retrospective marks the 100th anniversary of the artist's death including Olympia, the Bar at the Folies Bergeres, Nana and Dejeuner sur l'Herbe. Paintings, which at the time created such a scandal, are now seen as classics in the tradition of Franz Hals and Velasquez, whom Manet revered. Yet at the same time they are a homage to one of the first impressionists and e pioneer of modern art. Grand Palais, April 16 – August 1, closed Tue. Late night Wed till 10pm (261 5410).

WEST GERMANY

Cologne, Rautenstrauch-Joost Museum: The only German venue of an exhibition featuring 2,000 Mexican wooden dance and death masks. Also Pre-Columbian objects on loan from the Instituto Nacional de Antropologia e Historia in Mexico City. Ends May 15.

Hanover, Kastner Gesellschaft, 16 Warmbüchenstrasse: The complete graphic work of Oskar Kokoschka, the Austrian expressionist, carefully guarded against daylight so as not to damage the delicate water colours and drawings. Ends May 15.

Berlin: National Gallerie, 58 Kurfürstenstraße. The only German venue of Swiss artist Ferdinard Bodler exhibition, which offers the first comprehensive survey of his work since his death in 1918. Ends April 24.

Hamburg, Kunsthalle, 1 Glockengiesserwall: Portraits from Martin Luther's times. Ends April 24.

Bonn, Städtisches Kunstmuseum, 7 Rathausgasse: 140 works by Paul Klee, August Macke and Louis Moilliet from a Tunisian trip which the three took together shortly before the First World War. Ends April 24.

Cologne, Künsthalle, 1 Josef Haubrich Hof: Georges Rouault – 260 paintings, water colours, gouaches and graphics. Ends May 8.

Hamburg, Museum für Völkerkunde, 64 Rothenbaumchaussee: The Museum for Ethnology is showing arts and crafts from Guizhou (Southwest China). Ends April 30.

Berlin, Antikenmuseum, 1 Schlossstrasse: Animal Depictions Over Four Thousand Years has more than 250 bronzes, vases and terracotta sculptures of hunting scenes and domesticated animals. The works range from the times of the Egyptian Pharaoes to the end of the Middle Ages. Ends May 5.

Munich, Villa Stuck, Prinzregentenstrasse 60: Water colours and drawings by Oskar Kokoschka, the Austrian expressionist (1886 to 1980) famous for portraits of German politicians. Ends May 24.

ITALY

Milan, State Archives: Ludovico Il Moro, his City and his Court (1480-1499). Ends May 2.

Venice, Palazzo Grassi: Paintings including works by Picasso, Morandi, de Chirico and Kandinsky. Ends April 24.

Venice, Museo Correr: Eighteenth century engraving. Ends June 5.

LONDON

Hayward Gallery: Landscape in Britain 1850-1950. A lucky-dip of an exhibition rather than a close scholarly exercise, but none the less enjoyable for that. The good things are there to be discovered among the interestingly moderate and even sometimes rather awful greater part; and if some of the great names are not too well represented, Whistler and Sickert for example, enough of the more obscure are all the more in evidence, and on their very best behaviours, from minor pre-Raphaelites to fifties expressionists. Ends April 17.

VIENNA

Musem für Angewandte Kunst. Two exhibitions which are closely allied. Böttger earthenware with porcelain from the collection of Augusts des Starken (1670-1733) from Dresden, and Meissner porcelain from 1710 to the present day. The early manufacturing of porcelain under Augusts des Starken led to the more refined manufacturing known as Meissner.

NEW YORK

Metropolitan Museum of Art: Those overwhelmed by the sheer volume of art at the Vatican will much appreciate the present loan of 230 choice pieces, including the Apollo Belvedere, Caravaggio's The Deposition and even modern pieces by Matisse in what the museum is calling its show of e decade. Ends June 12

Whitney Museum: Films and videotapes by 30 artists highlight the 62nd Biennnial for American artists, including Frank Stella and Jasper Johns among the 76 artists represented by 124 works. Ends May 22.

WASHINGTON

National Gallery: Seven major series by sculptor David Smith are represented in the 60 large works in *welded metal included in the exhibit.* Ends April 24 (357 2790)

CHICAGO

Chicago Historical Society: Besides a permanent collection with e visual biography of Lincoln, audio-visual account of the great fire and daily demonstrations of weaving and candlemaking, this regional institution bas e special show of something Chicagoans must know well: cold-weather clothing over the last century. Ends May 1.

Museum of Contemporary Art: To complement the museum's self-appointed task of documenting American unschooled naif painters comes an exhibit of 47 unschooled German painters of the 20th century, among them Adalbert Trillhaase, the Bible-painting clerk who inspired Düsseldorf realists early this century. Ends May 22.

BRUSSELS

Société Générale de Banque: Art Nouveau to Today – 190 years of European glass. Ends May 20.

Cinema/Nigel Andrews

To streep, perchance to dream

Sophie's Choice

The Young Ladies of Wilko

Tales of Ordinary Madness

The Clinic

G'Ole!

Meryl Streep: a phenomenon in an ephemeron

Meryl Streep is the best reasoo for seeing *Sophie's Choice:* and perhaps the only one. One-hundred years after Burne-Jones, Rossetti and company designed her, here is the perfect pre-Raphaelite beroine—*a pallor struck ghost* with vast eyes and high cheekbones caught in a ceaseless weave end wane of beautiful distress. Woe upon the film-maker who doesn't find good enough distress material for Streep. She was memorable in Victorian weeds in *The French Lieutenant's Woman*, she was disastrous in *film noir* New York in *Still of the Night*, and in *Sophie's Choice* she is magnificent in a film that's not so much a vehicle as a giant vacuum for her talent.

Writer-director Alan J. Pakula (lately of *Rollover*) has taken William Styron's portentous barn of a Brooklyn-set novel, about a Polishborn Auschwitz survivor (Streep) and the two men in her life, and rebuilt it on screen echo for grandiose echo. Written in festoons of Thomas Wolfe verbiage, the hook flanks heroine Sophie with a dashing, manic-depressive Jewish lover called Nathan — here filled in with moustache and glittering eve by Errol Flynn lookalike Kevin Kline—and an up-from-country greenhorn and aspiring writer called Stingo *(sic);* played by Peter MacNichol, a hangjawed, liquideyed youngster who looks as if he has been run over by a premature midlife crisis.

Slowly, *nay snail-pacedly*, we nick at Sophie's darkling past. We know that every prowl forward by the camera into that waxenwondrous face will cue in reverie or flashback—to streep, perchance to dream. And as madcan Nathan's moodchanges get pricklier every day, we ask: will he catalyse the truth about Sophie's survival? Was it due to conrage or betrayal in the Stalag? Will Stingo (perish the name) rescue her from the maddening Jew? And what is—or was—"Sophie's choice?"

Sometimes the film seems more like *Soopie's Choice;* a hightone agony serial deep in mystery and with Durkheimian pretensions. Pakula paces it with po-faced deliberation amid vast Gothic bedsit settings photographed with strenuous luminosity by Nestor Almendros.

But though the film is weighed down with the concrete shoes of its own self-importance, Streep is always amazing and unsinkable. A Polish accent as blithely flawless as her English in *French Lieutenant;* a flickery, haunted beauty which uses the eyes like distress flares; a skittish spontaneity of voice which seems to new-mint every thought as it is spoken; and a Procrustean ability to use her body one moment to curl up into a frightened embryo, the next to untwine tall, graceful and statuesque like a Bernhardt of Lower Brooklyn. Streep is a phenomenon—the film is an ephemeron — keep your eyes on her and the admission ticket is good value.

Poland's past is also plunged into in Andrzej Wajda's *The Young Ladies of Wilko*, which he made between *Man of Marble* and *Man of Iron*. This is *Man of Pectin*. The movie, set in the 1930s, is about the past as a storehouse of preserves: emblematically, in the film's play of bottled and glistening memory, literally in the jars lovingly tended by spinsterly Kazie (Krystyna Zachwatowicz), one of five aging sisters whom the hero (Daniel Olbrychski)—a teenhood friend of theirs—revisits deep in the country on a nostalgic furlough. But he *too*, demobbed from the Russian Front, has been put through the wringer of years, and is now a soldier-spinster gnawed by loveliness and unable to recapture it in the faces he once loved.

The ghost of Chekhov clearly flitted also this movie early on to lend a lenten flourish to the Dramatis Personae. Fettered sibling souls cry out for their spiritual Moscow—or Cracow in this case—and every skittish witticism or spurt of philosophy is a camouflaged cry for help.

But Wadja, adapting a story by Jaroslaw Iwaszkiewicz (whose sere and piercing visage pops up in a last-scene cameo), also gives the sisters a fighting individuality: from Maja Komorowska's Jola, a *belle epoque* beauty whose vivacity has now turned into wild-haired eccentricity to Stanislawa Celinska's Zosia, a plump acerbic mannequin who looks as if she's been peeled reluctantly off a 1930s fashion poster. And as the sad protagonist, vainly titrating his past into his present and hoping that the colour *will change, Olbrychski has* a perfect pallor-wrought magnetism. Fine performances, memorable and majestic filmmaking.

Marco Ferreri's *Toles of Ordinary Madness*, by contrast, is a load of old shoemakers: an Italian-French co-production made in America, and starring Ben Gazzara as a beat Los Angeles poet louchely based on Charles Bukovsky. He drinks, he swears, he fornicates. He recites resistible verse. He has a strong propensity for trying to insert his head inside large ladies.

His tipsy speeches and salty narrations (styled on Allen Ginsberg out of Dashiell Hammett) do go on and on. And the much-bruised women in his life—from sylph-like Ornella Muti to the vexed would-be recipients of his cranium—should link hands to form a human chain round director Ferreri in protest at the film's bullying phallocentric machismo. Deeply to be avoided.

The Clinic is slighter and lighter. A tilt at the tribulations of VD, this Australian comedy written by Greg Millin and directed by David Stevens melts in the mind even as you consume it. It starts out trying to be *Carry on Gonorrhea*—with much *tee-hee* humour about specimen bottles and proctoscopes—and then shades into a long loading does of sweet-natured liberalism. It's a cheerful and kind-hearted movie, but *sometimes you feel it needs a* fulminating guest appearance by Savonarola or Mrs Whitehouse just to liven things up.

Not even they could enliven *G'Olé*, the "official record" of the 1982 World Cup. With perverse ingenuity, director Tom Clegg has managed to distil the dreariest moments from an already dreary contest, and who could believe the appalling commentary delivered by Sean Connery? (On Paolo Rossi's triumphs following on his pre-Cup unpopularity—"The Italian Press must be eating an awful lot of humble pizza . . ."). For registered football addicts only. Others, stay bome and eat a pizza.

Philharmonia/Festival Hall

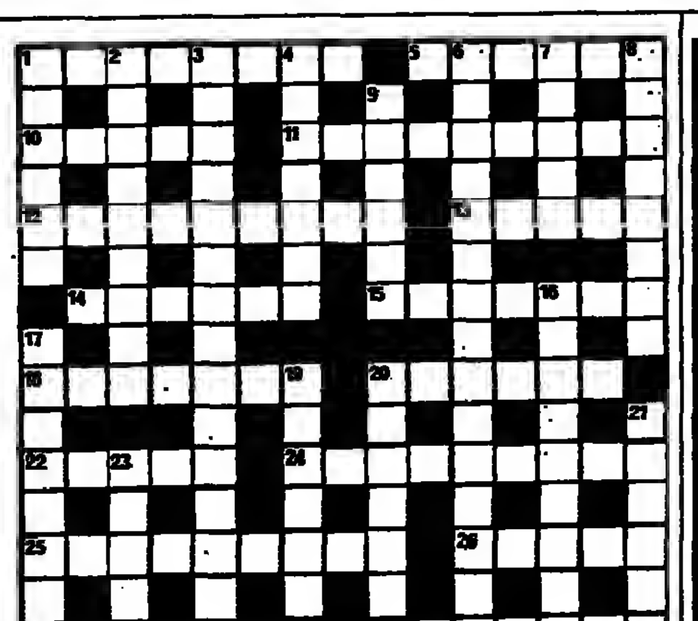
Andrew Clements

Bernard Haitink has followed Solti end Barenboim into exploring Elgar in his programmes with London orchestras. Like those condnctors too, he is shortly to begin recording some; the account of the first symphony that ended Wednesday's Philharmonia concert so overwhelmingly is booked for EMI. I do not think tbat it is too dangerous a generalisation to regard these essentially "non-British" views of Elgar as more necessary to our appreciation of the composer then eny number of more parochiel performances *relying on received* wisdom.

Haitink strips away all the glutinous excesses that sometimes belabour Elgar, or rather neglects to add them. The *Pomp and Circumstance March*, the fifth, that began this programme was a concise presentation of his approach: hrisk, almost aggressively angular, the big tune of the trio denied *all but the sufficient minimum* of *nobilment*. The lack of bombast carried through to the symphony. Pecing here was the *secret; the motto theme* was serenely unfolded, giving the intrusion of the Allegro its full drematic impact; while the lack of frenzy in the scherzo added to its incisivenes. Even Sir Adrian Boult cannot have held the Adagio in such long, serene paragraphs; Haitink's closing bers, the muted borns perfectly placed, were magical. Savage, *almost brutal contrasts* characterised the finale, allowing the lyrical transformation of the second subject to seem even more transcendentally beautiful than usual.

The evening's only disappointment came in Zera Nelsova's playing of the cello concerto, which separated march and symphony. It began with refreshing understatement and lack of grandiloquence, but this soon showed itself to he a more serious lack of tonal power. Phrasing was mundane, *tempi uneven*, so that Haitink and the impeccable Philhermonia kept up only with some difficulty.

F.T. CROSSWORD PUZZLE No. 5,147



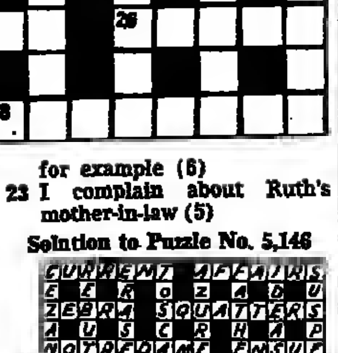
ACROSS

1 Not much energy for the Cambridge prelim ... (6, 2)
5 ... a maths problem of those short on inspiration? (6)
10 Remaining horizontal like a camera, usually (5)
11 Naked in one French bay—revolutionary! (9)
12 Conservatives fail to win Irish county—end of TV coverage? (5, 4)
13 As far as one can get down defective drain (5)
14 Doctor got up feeling gloomy (6)
15 Scheme 1 to shift shift (7)
18 Grace at the bar sounds sarcastic (7)
20 Steady home counties appointment (6)
22 What is heard and seen in North India? (5)
24 Billy's favourite butter? (5-4)
25 Conventionally used harbour in Greater Manchester (9)
26 Get used to being at home by river in Yorkshire (5)
27 "Polish" platforms for birds (6)
28 Chance of success in Whitby? (8)

DOWN

1 Bloomers in ill-used accounts (6)
2 On the French standard, would it be given triple cheer? (9)
3 'e left work, big EEC construction—away of getting out (3, 6, 6)
4 Lettuce in gelatine—good source of energy (7)
6 Envy, idleness—sad, in a way, there are five others (5, 6, 4)
7 Ran off with difficulty round the earth (5)
8 Tree-marshal in the Channel Islands (8)
9 Not the railway recommended for night-train (6)
16 As Nancy Mitford did U-doctrine, in a way? (9)
17 1 mph in rough seas means stress (8)
18 Continue to nurse this common subject of strain (6)
20 Legislator given time, within reason, perhaps (7)
21 Make declaration at Lord's for example (6)
23 I complain about Ruth's mother-in-law (5)

Solution to Puzzle No. 5,146



FINANCIAL TIMES

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Friday April 15 1983

The case for joining EMS

SOME TIME within the next year, and possibly quite soon, Britain will bold a general election in which our membership of the Common Market will be a mejor issue, yet only a close observer of British affairs would notice it at the moment.

The Prime Minister is reported to be preparing a series of pro-European speeches. Electors might well be more impressed by some pro-European actions; and our EEC partners, once they had recovered from their surprise, would undoubtedly be so.

It is in fact e sad but just comment on the state of the Community itsef that the issue is not more botly debated. A decade ago an anti-EEC intellectual in the Labour Party offered this comfort to his wing of the party: "It's no great disaster if we decide to stay in; we need only wait for the thing to collapse around us."

That was a decidedly premature judgment at the time, but it is uncomfortable to remember it now; as a recent paper from Chathsm House sharply reminded us, the Community is now not only under strain from the eternal squabble over farm policy and its finance, but is being dangerously eroded by internal protectionism and subsidy, as might be expected after so deep s recession. It badly needs a new impetus to halt this degeneration, and to make it possible to tackle the problems of enlargement.

Growth

This is not a matter of saving the Community, which should not be seen as an end in itself, but of saving ourselves. The nrgent issues which face us of reviving confidence and employment in a period of rapid change cannot be tackled effectively within the confines of a small economy and a small market.

Such dynamic growth as we have seen in Europe in recent years—the French motor industry, the Italian domestic appliance industry, and Britain's encouraging growth in electronics and computers—has depended entirely on eccess to the larger European market; but that market can only be preserved if there is a conscious effort to pursue convergent economic policies. It is convergence and not the Community's specialised institutions, valuable though some of them are, which is the key.

There is only one Community institution which brings steady pressure to bear on members across the whole range of economic policies—the European Monetary System. As was intended wben the EMS was founded, tbe commitment to stable, realistic exchange rates—a prerequisite, in any case, for a genuinely integrated market—has forced its members to confront a wbole series of difficult choices.

Success

It has not been a total success, it is true; bnt it is hard to believe that France would so radically bave modified its own programme, that Ireland would have faced the grim facts of its excessive borrowing, or even that Germany would so readily have adjusted away so much of its competitive edge, had the EMS not existed. Without it, EEC disintegration might now be e fact rather than a fear.

For all these reasons the continued reluctance of the British Government even to discuss membership of the EMS is a damaging anomaly.

Over recent years there have been good and even neighbourly reasons to stand aside. The sharp fluctuation in UK inflation, and the structural transformation of our trade as North Sea oil came on stream, would have imposed disruptive strains.

Now, bowever, our inflation rate is relatively stable and not out of line, and recent events suggest that changes in the real oil price, while still a problem, would no longer prove insuperable except in e true market crisis. The sterling exchange rate is ecceptable.

If the problems of UK membership are now soluble, as the Governor of the Bank of England clearly believes, then there is no case for further delay. It is the eppropriate focus for Britain's own efforts to stablise exchange rates; it would belp to provide e new Community impetus; and it would clarify the political choice we face at home. Labour's policy is at least clear: isolation, devaluation and protection. The alternative of partnership, stability and wider opportunities makes good rhetoric, but it is not yet supported by a similar commitment to act.

Self-regulation at Lloyd's

NEW LEGISLATION designed to strengthen the system of self-regulation in the Lloyd's insurance community came into operation at the beginning of this year, just et e time when Lloyd's was experiencing e serious internal crisis. It became clear that the interests of the members of Lloyd's, who entrust their personal fortunes to the insurance market's professional agents and underwriters to allow the market to function, were subject to abuse by some of those responsible for looking after their affairs.

Many of the problems stemmed from the structure of Lloyd's itself and the conflicts of interests which have been created in the market. Brokers, agents of the buyers of insurance, have been allowed to hold direct shareboldings in the sellers of insurance, the insurance syndicetes into which all Lloyd'e members are gronped.

Moreover, underwriting agents, the companies which look after the affairs of members of Lloyds', have formed their own in-house reinsurance groups, which usually bave not been disclosed to the members for whom the egent acts. Money has been diverted out of insurance syndicates' revenues—out of profits which might otherwise have been passed to the underwriting members of Lloyd's—in the form of reinsurance premiums to reinsurance companies which the agent controls.

Disclosure

Lloyd's new chief executive, Mr Ian Hay Davison, has said that there must be more disclosure in the market and that this should lead to the elimination of abuse. Yet the disclosure proposals so far advanced are too limited.

A two part register is to be established covering the hitherto undisclosed beneficial holdings of Lloyd's professionals in companies with which they transact business. The first part, containing the shareholding links, would be made public. A second part, giving details of how mnch financial gain the Lloyd's professionals make from these links, is to be available to Lloyd's ruling authorities.

Underwriting members may examine the second part of the register to see the extent of benefit that those who look after their affairs receive, although they are not expected to be entitled to see the whole of the register. Only the Lloyd's ruling bodies, some members of which have considerable vested interests of their own and might wish the status quo to be preserved, will be allowed to see the whole register.

As so far envisaged, the proposals do not provide for e sufficiently independent assessment of the propriety of the inter-connected insurance links and conflicting interests which permeate the Lloyd's market.

There are signs of back pedalling in e recent review of the underwriting agency system et Lloyd's. While brokers are required by law to sever their shareholding links with underwriting managing agency companies (the groups which run underwriting syndicates in the market), they can still own members' agencies through which the brokers can introduce members to Lloyd's insurance syndicates.

Resisted

The working party'e initial view was that if brokers were to retain interests in members' agencies they could not hold voting control. But that measure was resisted and the working party compromised. Brokers can either introduce any number of members to Lloyd's syndicates as long as they do not retain voting control of e members' agency or they can hold voting control as long as they do not introduce more than 20 per cent of the capacity to a syndicate.

The working party observed that if a situation of potential conflict can be removed without damage to the market, it sbould be removed. The brokers gave e warning that their commitment to Lloyd's might be damaged if they did not control members' agencies. But brokers would be in neglect of their dnty to the client if they avoided an insurance market on the grounds that they did not have a direct interest in any aspect of that market's operations.

The restoration of confidence in Lloyds depends on the removal of conflicts of interest, rigorous disclosure requirements and strong disciplinary machinery. There are dangers that concessions to sectional interests within the Lloyds community will frustrate the aim of an effective system of self-regulation.

MIDDLE EAST PEACE TALKS

Harsh realities for the Arabs

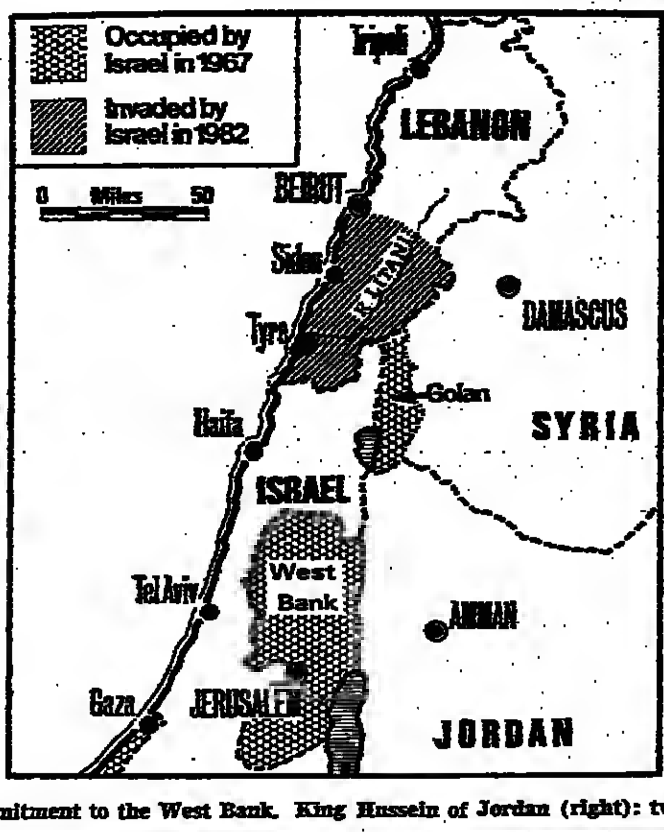
By Patrick Cockburn

THE latest, last-minute attempts to breathe life into the Reagan peace plan for the Middle East are unlikely, in the long term, to do much more than keep the undertaker waiting at the gate. Even if King Hussein of Jordan and the Palestine Liberation Organisation can agree on bow to negotiate with Israel, the Israelis will have nothing to do with them. Long ago they rejected President Reagan's idea of autonomy for the West Bank and Gaza in association with Jordan.

For Mr Menahem Begin, the Israeli Prime Minister, the West Bank is Judea and Samaria, for ever part of the historic land of Israel. Pressure from Washington is very nnlikely to make him change his mind. Plans to eend yet more Israeli settlers into the aree are going abead.

The failure of the Reagan plan also has broader implications. It underlines the fect that Israel is now the dominant power in the Levant.

East of the Iranian border there is no power it cannot defeat with ease. The Arab world, a fragmented collection of regimes with limited popular support, proved unable to lift e finger when the Israeli army lannched a full-scale invasion of the Lebanon and besieged Beirut last year. Nothing more graphically illustrates the political weakness of the oil states.



Israel's Mr Begin (left): commitment to the West Bank. King Hussein of Jordan (right): two preconditions for peace talks

It is not only the deep divisions between them—greater today than ever before—bnt also the tremendous social and political strains within their societies partly created by the oil boom. This does not mean that they will be easily overthrown but knowledge of their weakness at home makes most Arab Governments now think twice before taking any initiative in regional affairs.

This imbalance between Israel and the Arab world which makes it immensely difficult to get any real negotiations off the ground. Israel has no incentive to talk: its Arab neighbours have no leverage with which to force concessions.

Egypt, once the great power in the Arab world, has been on the sidelines since the Camp David agreement in 1978.

For a time after that it seemed as if Iraq might emerge as the new leader of the eastern Arabs. Here was the one Arab state with large oil revenues and a substantial population. But the opposite happened—Iraq today is withering in the face of a war of attrition with Iran, its oil revenues cut to the bone and dependent on handouts from Saudi Arabia.

The Syrians, bitter enemies of Iraq, briefly fought the Israeli army in the Lebanon last summer. But they have always frankly conceded that without Egypt's support they are no match for Israel. Their policy, therefore, it to avold an all-out war which they know they would lose. Increased Soviet assistance over the last six months, and better anti-aircraft missile defences, do little to reduce their vulnerability.

This same fear of Israel also does much to determine Jordanian policy. "Last year they were very nervous that the Israelis would take a side swipe at them," says a diplomat in Amman. Jordan differs from Syria, however, in the form of its response to the threat from Tel Aviv.

With no military option at the disposal of himself, or the Palestinians, King Hussein believes he must talk with the Israelis. Syria's President Assad, on the contrary, has never believed the Reagan plan would get anywhere or that the Israelis were prepared to talk seriously. He has therefore sought to keep his leadership of the militant camp within the Arab world.

Where does this leave the Palestinians? The PLO was gravely weakened by its dispersal from Beirut. Mr Yassir Arafat, the PLO's chairman, knows that his organisation has no military clout and he therefore has to depend on diplomatic manoeuvres. The danger is that in trying to satisfy the differing views of the Arab leaders and his own followers, the Palestinians as a whole will end as the new Armenians.

Yet whatever the ideological divergences between the Arab leaders, all were found wanting last year when the Israelies laid siege to Beirut. No summit or conference was beld. Radical Libya and monarchist Saudi Arabia united in wringing their hands. Bnt they did nothing as, for the first time, Israeli's army mounted an assault on an Arab capital.

The failure to intervene then, or since, marks a critical change in the politics of the Middle East. It is now becoming clear that the siege of Beirut may have as much significance as to the defeat of Nasser's Egypt in the June war in 1967. This rolled back the influence of the radical nationalistic states of Egypt and Syria, compelling them to seek an accommodation with the conservative oil states, notably Saudi Arabia and the Gulf.

The predominance of the oil producers was reinforced by the 1973 war. Even though the fighting ended with the Israeli General Ariel Sharon crossing the Suez canal and cutting off the Egyptian Third Army, the war led directly to the first great surge in oil prices.

It is now becoming clear that the siege of Beirut may have as much significance as the defeat of Egypt in 1967

The boom which followed encompassed all the Arab world. In the oil states themselves there were vast revenues to be spent and in Arab countries without crude, there was a flood of aid money and remittances. Jordan, for instance, gets about $1.5bn a year in remittances from its 310,000 citizens who work in Sandi Arabia and the Gulf and another $1bn in aid from the same source.

The capital rich states absorbed the labour and skills of poor and overpopulated Arab countries such as Egypt. Professedly radical states like Libya came to rely on Tunisians, Sudanese and Egyptians for non-Government employment. In Abu Dhabi there are an estimated 69,000 citizens compared to almost 400,000 non-nationals.

The resulting social and political revolution was no less profound than the nationalist revolts modelled on Nasser's Egypt which rocked the Arab world in the 1950s and 1960s.

"Oil and the movement of manpower and money across country lines are one of the Arab world's silent revolutions," writes one Egyptian observer of the 1970s. The economic and social changes that resulted are self-evident, but the political consequences of the new social order which oil money created are no less profound.

The political centre of gravity of the Arab world switched from Egypt and Syria to the oil states. Governments came to depend on handouts. Despite the fall in the oil price Morocco still gets $1bn a year from Saudi Arabia, and presumably still will despite the fact that the Saudis are now projecting their first-ever budget deficit. Arsenals of weapons were built up—the Saudi military budget alone totals $25bn a year.

But the oil revennes have frequently masked political weakness and fragility. In the West, as in the Arab world, the cartoon image of all-powerful sheikhs waving bundles of petrodollars was always exaggerated.

In the years since 1973 it has become increasingly obvious that the oil wealth has secured little real development sustainable once the oil runs out. And a panoply of weapons does not mean military security.

On the contrary the oil states dependent on foreign labour and the income from a single commodity, are among the most vulnerable in the world. After Camp David the oil producers did cut their aid to Egypt, but none dared to expel the Egyptian workers who remitted more than the grants given to President Sadat. Iraq's present financial troubles stem primarily from the destruction by Iran of its two oil export terminals on the Gulf in December 1980, and the closure of its Syrian pipeline last year.

Just as Arab nationalism and Nasser himself never recovered from the bumiliation of the 1967 defeat, it will be difficult for the Arab Governments who are members of Opec to regain much of the political credibility they enjoyed from 1973 to 1982.

The only way that they and the PLO can hope to redress the overwhelming and military superiority of Israel is by securig the essistance of Washington. This was the hope of some of the Arab states when President Reagan announced his initiatives on the Middle East last September. For the first time he made the future of the Palestinians the centre piece of a plan even if he ruled out an independent state or direct representation of the PLO in the talks about the plan.

From the beginning Mr Begin has said the plan is unacceptable. He speeded up the settlement programme and slowed down the pace of negotiations on withdrawal from Lebanon. Israel could cope with U.S. pressure and despite rumblings of discontent in the White House, and a steep fall in Israel's popularity in the U.S. after the Chatilla massacre, Congress still increased aid to Israel et the end of last year above the level requested by the edministration.

It may well be in Washington's short-term interest to freeze the situation in the Middle East as it now exists. Israel, its strategic ally, is the predominant power in the region while other important friends in Saudi Arabia and Egypt have not suffered from any domestic backlash for the events of last year. The Soviets may to some extent be benefiting from American unpopularity but they are still very much on the sidelines.

But the danger for the U.S. is that Israel is now so powerful that American influence on Mr. Begin's Government may become yet more limited. Since he was elected, President Amin Gemayel of Lebanon has looked to Washington as the key support for his regime and so far he has looked largely in vain. The Israelis have not withdrawn, indeed have built sophisticated all-weather bases in southern Lebanon.

This had led to speculation that they have no intention of pulling out. This is probably misconceived. Israel's agreement to withdraw from Lebanon and e freeze on the settlement programme were two conditions laid down by King Hussein of Jordan without which he would not participate in peace talks. U.S. officials complain that the delay to the pull-out is intended by the Israeli Government to stop the Reagan initiative in its tracks.

But once the Reagan plan is well and truly buried, Mr Begin will probably seek to avoid inflicting further humiliation on President Reagan. The Israeli premier has an ideological commitment to the West Bank which he does not feel for Lebanon.

In the run up to the Presidential campaign the White House is unlikely to be able to resist the temptation to present an Israeli withdrawal from Lebanon as a foreign policy triumph. The Reagan peace initiative will join the dozen or more other peace plans for the Middle East discarded over the last 30 years.

Its demise will create few short-term difficulties for the U.S. The danger for Washington is rather that, as after previous Arab defeats in 1948 and 1967, its allies in the region will in the end be toppled from power.

Men & Matters

Book value

Off to Mayfair (where else?) to se former Bevin boy, Peul Hamlyn et the launch of his Octopus Publishing Group on to the Stock Market with a minimum price tag on the ordinary shares of over £30m.

Holding up the prospectus for all to see, Hamlyn exclaimed: "This is our latest book, and it was horribly, horribly expensive to produce."

Unfortunately the man from Rothschild's had not arrived in time to appreciate the jibe. But Hamlyn is not exactly short of cash. His personal holding in the ordinary and deferred shares is likely to be worth abont £30m when the market speaks.

Nor is he one of your common-or-garden overnight Stock Market millionaires. He netted over £2m when he sold his first eponymous publishing house—started with £350—to IPC in 1964. As Hamlyn said: "This will not change my way of life."

In fact, when he invested about £1m in Octopus 11 years ago, Hamlyn insisted that he did not want to be a big publisher ever again.

Last year, Octopus'e turnover was close to £31m—"We just sort of grew," he said.

Now Octopus has a joint publishing venture with Heinemann ando there are many in the City who believe that if BTR is successful in its £576m bid for Thomas Tilling, then Heinemann is one of the Tilling concerns most likely to be up for sale.

Would Hamlyn consider buying? "What an interesting question. I'll think about that over the weekend," he replied.

The occasion yielded interesting sidelights on other recent events.

Rothschild's, having fiercely defended its decision to offer Amersham International by a fixed price, are now offering Octopus by tender. "One lives and learns," murmured Rothschild's Michael Richardson.

"It's the Radio Times! Must have been printed in Malta"

And Tim Aitken might note that Octopus's 5.5 per cent stake in TV-am, acquired for £770,000, is written down in the books as worth £1. That values the whole of TV-am at £18 and 18p.

Small share

Britoil's directors do not seem to have shown any more enthusiasm for the company's shares than anyone else judging by the number they acquired when 51 per cent of the British National Oil Corporation's exploration and production arm was "privatised" last November.

In total, the 11 members of the Board took up 16,093 of the 10p shares—or 0.006 per cent of the 255m-plus on offer.

Sir Alistair Frame, retiring deputy chairman of Rio Tinto-Zinc, and Ralph Quartano, chief executive of the Post Office Staff Superannuation Fund, had none—the latter, perhaps, because of a possible conflict of interest.

In his statement on the annual report, Philip Shelbourne, the chairman, who had 2,199 shares, observes that the underwriters who took up 73 per cent of the issue "undoubtedly proved once again their invaluable role in the financing of British industry."

Mark of trust

A day of farewells yesterday for Mark St Giles, outgoing chairman of the Unit Trust Association. For St Giles is also leaving Allied Hambro, the unit trust arm of Hambro Life, where he has worked for the past eight years.

St Giles is to become the first chief executive in charge of GT Unit Trust Managers and managing director of GT Investment Management Company SA (Luxembourg). His task is to step up the marketing of GT's authorised unit trusts, which now amount to £120m.

St Giles said the offer came out of the blue. He bad intended to run the UK marketing of Hambro Bank services after his term as chairman of the UTA.

Apart from what St Giles describes as "a good financial package" he was lured to GT by the prospect of taking an equity interest. "I will have the opportunity to acquire some shares. It gives it a bit of purpose."

Capital move

Fighting words from Tony Lorenz, newly appointed managing director of Equity Capital for Industry, the private sector body set up in 1976 to back companies which could not find support from the more traditional market place.

ECI's image bas been somewhat tarnished by the well-publicised failures of three companies it tried to prop up—Bond Worth, Brittans, and Stone Platt.

Its role has been called into question and it has seemed at times to lack clear direction with Lorenz as investment manager and Brian Dean, executive director and general manager, hitherto jointly holding the reins.

Dean bas now retired to pursue other interests—and Lorenz says: "It may well have been unclear to some people just who carried the can et ECI. There will now be no confusion, it's me."

With Sir Nigel Foulkes appointed chairman earlier this year, ECI will broadly continne existing policy with a more conventional management structure.

"In future we shall be spreading the risk more widely," says Lorenz. "I think our mistake in the past has been to put too much money into too few investments."

Lorenz reckons it will take "et least a couple of years" before ECI has used up the £18m which remains uninvested. "Then we shall be going back to our shareholders for more money — provided, of course, we have proved ourselves."

Seconds out

Apple Computer is one of the companies aiming to get some publicity mileage out of this weekend's London Marathon. It is setting up in a marquee to offer predictions on how the runners will finish.

"Aple's closest prediction to date was that of two hours, seven minutes and fifty-seven seconds for Alberto Salazar in the 1981 New York Marathon," gushes an Apple press bandout. "Salazar's actual time, and a world record, was two hours, eight minutes and thirteen seconds; only eighteen seconds slower than the Apple computer predicted."

Let's hope, this time, Apple's arithmetic improves as well.

Observer

POLITICS TODAY

Jobs: the issue that isn't

By Malcolm Rutherford

"I SEEK common ground today in pursuit of a common objective: a substantial and lasting improvement in the bleak prospects for employment."

Not Mr Michael Foot, the leader of the Labour Party, this week, but Sir Keith Joseph in "Conditions for fuller employment" (note the "er") back in 1978 when the Tory Party was in opposition and the number out of work was less than half its present level.

Sir Keith went on: "There is in Britain hostility to enterprise and the entrepreneur. His role and function are scarcely understood. He is viciously taxed on earnings and on capital: discouraged by regulations and controls: hampered by legislation and bureaucracy: may be obstructed by union Luddism: and is crowded out by government spending, which uses the money that the private sector needs for expansion."

Sir Keith has not changed today. It is not true that he has lapsed into political obscurity. He thinks that Mrs Thatcher's Government lost its first year by not acting fast enough to curb public expenditure. He believes that the one lapse in his analysis in 1978 was a failure to foresee the effects of a high exchange rate and, being Sir Keith, tends (quite unfairly) to blame himself for the error.

He also thinks that the Government should be examining its early mistakes, drawing the appropriate conclusions, and be preparing to restate the original entrepreneurial philosophy in its manifesto for the General Election. Sir Keith says that it is a comment on the British way of life that there is no English word for "entrepreneur": there is no English word for "restaurant" either.

What is more, Sir Keith may be right not only in his basic philosophy (which in the long term he surely is) but also in the sense that the Tories may get away with it and be re-elected. For the most interesting fact about the present high levels of unemployment is the absence of dissent or, more accurately, the lack of agreement on what to do about it.

In intellectual terms there is now a fairly clear cut division between those who believe that the number out of work is so large that any government's first priority must be to reduce it, and those who favour a continuation of present policies of taming inflation and adapting to structural change. But in terms of party politics it has not quite come out like that.

In Britain there are some special reasons why. One is the split in the Labour Party. If some of the social democrats had not moved off to form the Alliance with the Liberals, so that there are now two oppositions to the Government, it is quite unlikely that Mrs Thatcher would have her present lead in the opinion polls. Unemployment would be the main issue of the day and the Government would be on to a hiding.

Yet even within the remaining Labour Party there are problems. Mr Foot gives the impression that his main preoccupation—over and above unemployment—is nuclear disarmament.

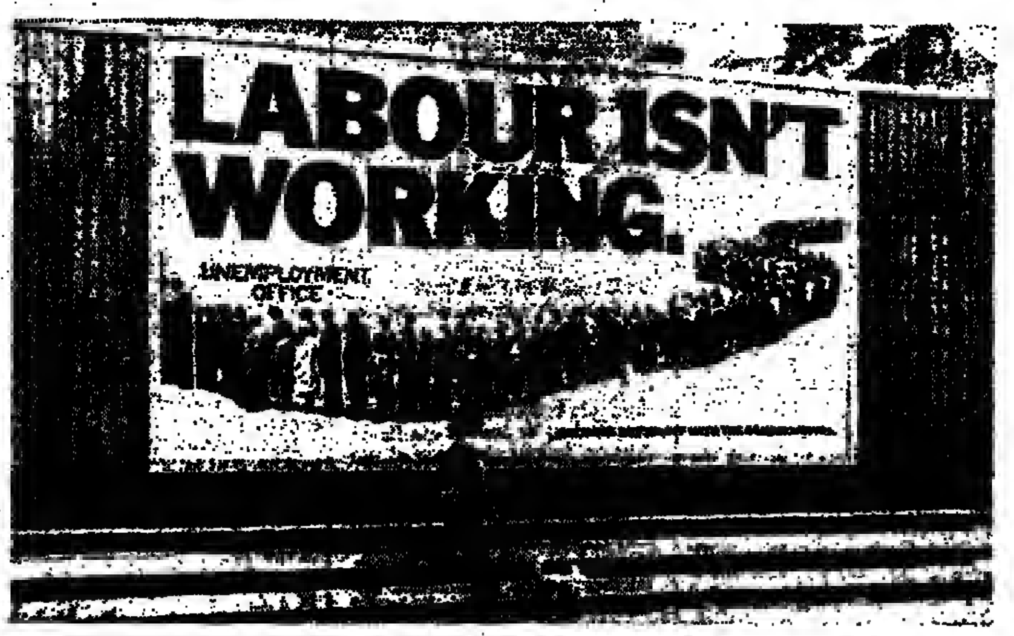
There is now sufficient discontent with Mr Foot's leadership in the Parliamentary Labour Party that he may be challenged, provided, of course, that a general election is not called in the near future. The most likely candidate—even more than Mr Denis Healey—is Mr Peter Shore, who cannot stand the Party's present defence policies.

But Mr Shore has idiosyncrasies of his own. Whereas Mr Foot is bent on a messianic mission to ban the bomb, Mr Shore is equally keen on getting Britain out of the Common Market, a prospect which would not self-evidently generate more jobs.

So even if the circumstances were to come together to allow Mr Shore to take over the leadership, unemployment would still not necessarily be the top item on the Labour Party agenda. Indeed it would be very easy for the other parties to accuse Labour of risking more out of work by seeking to withdraw from Europe.

If those are some of the problems peculiar to British politics, there appear to be no easy answers abroad either.

There was an International conference at Ditchley last weekend presided over by M Raymond Barre, the former French Prime Minister. The subject was: "Has full employment gone for ever?" What came out most strongly was the need to be more precise about definitions.



Conservative Party poster published before the 1979 general election

For a start, there was a clash between the American labour movement and the British. The American representatives asserted that they do not accept that the goal of full employment is no longer attainable. They cited the Humphrey-Hawkins Full Employment and Balanced Economic Growth Act of 1978 which declares a commitment to bringing down unemployment to four per cent in the near future, and lower thereafter.

The U.S. labour movement has just issued its own "Economic Programme for Jobs and Fairness." On the face of it, it is strikingly similar to many of the documents that have been coming recently from the British TUC. For example, there is a call for a "national industrial policy supported by a new Reconstruction Finance Corporation which would rebuild the nation's industrial base with loans, grants, guarantees, and targeted tax policies to strengthen investment in basic industries and new, high growth industries."

If that does not already sound familiar to a European, read on: "For years this nation has lived off its public capital instead of replenishing it. We have shortchanged investments in needed public facilities related to health, education, energy, safety, solid waste removal, water supply, parks, highways, bridges, ports, railroads and urban mass transit. Experience in the 1960s and 1970s—particularly in the 1975 recession — demonstrates that accelerated public works can provide jobs quickly and economically while restoring economic growth."

How much more like the TUC could you get? See, for instance, the TUC Economic Review 1983, called "The Battle for Jobs."

Yet the surprise of the conference was that some British union representatives do not share the American optimism, and not only for political reasons. Some of the Americans make the wholly hypothetical assumption that Mr Reagan is bound to be replaced by a Democrat in the next Presidential elections; the British seem by no means so sure about the prospects of removing Mrs Thatcher. But the most important difference was this: even TUC leaders are no longer sure that old definitions of full employment are tenable or — more important — desirable.

To take an extreme example: old definitions of full employment, going back to the 19th century, might say that it consisted of a job for all males practically from the womb to the tomb. An 80 hour week, or more, except that no-one in those days had the benefit of hindsight in being able to think in terms of achieved social reform.

The 80 hour week has now come down to 40 or less (overtime apart). There is also a possible distinction between the number of hours worked per week and the number of years worked per lifetime, not to speak of the greater entry of women into the labour force.

The American labour movement appears to think that its members do not wish to work any less. American steel workers on short-time, they say, immediately seek an extra job. They claim that there is no pressure from members for a shorter working week.

The British experience, as reflected by the TUC, is different. It is said that its members do not want, let alone expect, to go back to the old definitions of full employment. Instead, they want more leisure time, greater oportunities for education and improved working conditions.

There is a subsidiary question in that nobody seems to have discovered in any detail what trade union members do want. But if the supposition of less working time is even remotely true, it becomes easier to understand why there has been no rebellion against the present level of unemployment.

So we come back to the Government and the Labour Party. A former Cabinet Minister, who was always known as a "wet," said at Ditchley that there was no point in relaxing counter-inflation policy if the only result was a reduction of half a million in the number of unemployed. The only case for relaxation would be if you could cut the number by half or more. Anything else would be a palliative carrying the risk of renewed inflation.

Mr Shore poses the question of whether expansion really would be inflationary, especially given the present relatively low level of demand and if the expansionary policy were accompanied by some sort of prices and incomes policy.

There ought to be a clear cut division there between the parties on which the country could fight an election: the case for expansion or the need to carry on as before reducing inflation. But it seems that there is not.

There may also come a time when even the present Government accepts that the price of rising unemployment is too high. But it has evidently not come yet.

The political achievement would be to reconcile the need for some expansion of demand and reduction of unemployment without an incommensurate rise in costs. Neither major party yet seems to have the answer. Labour would expand. The Tories, pace Sir Keith Joseph, would go on relying on market forces till they come right in the end.

There must be some way through the middle to reconcile controlling inflation with structural change. M Barre, who is a very wise Frenchman, thinks that the need to control inflation after the years of excess is paramount, but that it is also necessary to contain unemployment. If the level of the latter could be only stabilised, it would be a success. But he is not sure that even that is possible.

Lombard

Too much worry about IQ levels

By Michael Dixon

THE CONTROVERSY over whether to ban petrol containing lead because it somewhat reduces children's intelligence quotients is likely to amuse historians of future generations. They will probably view it as we view mediaeval debates about angels on pinheads.

Opponents of a ban gained support recently from studies of thousands of children throughout the UK which showed no statistically significant link between their IQs and lead levels in the atmosphere where they lived. On past form, those wanting the ban can be expected to challenge again soon with further statistics which do show a significant link.

But neither side has so far explained clearly why the IQ factor should be so important. What is it, for instance, that a few more points on the IQ scale enable a person to do?

One of the few answers approved by psychologists in general was supplied in 1923 by an American with—where the popular appeal of such detailed considerations is concerned—the sadly prophetic name of E. G. Boring. The faculty which is beyond doubt measurable by IQ scales, he said, is "the capacity to do well in an intelligence test."

His definition might now safely be extended to "people's capacity to draw logical inferences from information presented to them." But that capacity is still far more limited than the popular idea of what intelligence is: the comprehensive mental faculty that enables us to cope more or less well with life. As such, it must obviously entail much more than the limited intellectual skills measured by IQ tests.

Apes, for example, would score minimal IQ. But it does not stop them from judging whether a branch will bear their weight or how to respond sociably to a neighbour although each decision needs fast, accurate processing of what in intellectual terms is complicated information. They can tell the right answer, as it were, just by looking. And so can we in a host of complex activities such as driving in the rush hour.

How IQ skills may relate to comprehensive intelligence as understood by lay people remains a contentious issue. Some psychologists deny any connection. Others believe one must exist but differ as to what it might be.

One view is that without a certain minimum IQ people could not master anything involving the mind. "You probably could not drive adequately with an IQ much more than 20 points below the average of 100," Professor Hans Eysenck has said. But although a strong supporter of IQ testing, he added, "Neither could you drive better just because your IQ is much higher. It is no substitute for other necessary qualities." An example of the other qualities in this case would be sharp senses.

The only activities necessitating a really high score are in his view those depending essentially on lofty intellectual expertise, such as being a professor of psychology. That may be why people who have risen up the ladder of academic examinations tend to have higher IQs than those who fell off below.

But there is no evidence of a similar need in activities like entrepreneurial business or most kinds of practical management. Success in those undoubtedly requires mental skills, but it has never been shown to be related to IQ. While the planning done by business people may resemble the theorising of professors, it might well be achieved by distinctly different processes.

Indeed, the trend of evidence on the practical importance of IQ has been away from the certainty of E. G. Boring's day. In 1927, for instance, the United States Supreme Court approved the involuntary sterilisation of a woman whose mother as well as herself had recorded low scores and whose own child was reputably of feeble mentality, on the grounds that: "Three generations of imbeciles are enough."

Banning lead-bearing petrol by the same criterion might be less inhumane. But it would not be any more intelligent.

Letters to the Editor

The record of Britain's trade with Japan

From the Chief Press Officer, Department of Trade

Sir,—Since I am, perhaps, one of the "British Government spokesmen who fail to acknowledge the true position" about the UK/Japan trade balance, according to Mr Bourlet (April 13) perhaps I may be allowed the opportunity to set out why our view of the "true position" is very different from his.

Mr Bourlet suggests that the large UK deficit on trade in goods with Japan is more than counterbalanced by a UK surplus on invisible transactions and that as a result the UK earns a substantial surplus on the current account of its balance of payments with Japan. He supports his view with estimates made by the Bank of Japan and argues that the impression that the UK does not enjoy such a surplus "is terribly mistaken and arises mainly from the very poor detail available in Britain on UK invisible transactions."

In fact, estimates of UK-Japan invisible trade are published annually in British Business and the most recent article, (January 7), gave an estimate of £425m for the UK invisible surplus in 1981. This can be set against the visible trade deficit of some £1.5bn in that year leaving a substantial UK deficit on the current account. (The deficit is likely to have grown in 1982 given the increase in the UK deficit on visible trade to almost £2bn last year.)

The Bank of Japan estimates suggest a very much larger UK surplus on invisible transactions — five times the size of the UK official estimate in 1981 for instance. The reasons for these differences are clear. There are large flows of interest payments — the amounts involved are greater than for all visible trade — on borrowing and earnings between London banks and Japan. These flows are recorded gross by the Bank of Japan and encourage the inference — as the balance of the flows is in London's favour by a large amount (perhaps £1bn in 1981 for instance) — that the UK visible surplus benefits by this amount. In fact the London banks are mostly on-lending funds deposited by foreign investors and the contribution to our invisible surplus from this activity is merely the banks' "turn" which is a small fraction of the gross flows. With regard to some other invisible services, particularly shipping, it appears that the Japanese statistics are sometimes based on the assumption that a payment made to a UK address equals a UK earning. But this is not necessarily true; a foreign shipping line, for instance, may have an office or agent in the UK to receive payments but the shipping service itself is provided by the economy where the shipping line is resident.

In conclusion, we believe that the UK estimates more nearly represent the economic significance of UK-Japan invisible transactions. The UK surplus on these transactions only offsets to very limited extent the UK deficit with Japan on trade in goods which continues to be a matter of great concern to the Government.

David Woods,
1, Victoria Street, SW1

Problems in Uganda

From Mr W. Lule.

Sir,—After reading your article "Exports to Uganda set to rise" (April 8) by Stephanie Gray I wish to point out the following:

Regarding government stability and internal security, of the six roads into Kampala, three are under control of the nationalist liberation forces of the National Resistance Movement and the Ugandan Freedom movement. Partial acknowledgement by the authorities in Uganda manifests itself in a Uganda Radio bulletin advising travellers to Gulu not to travel via the Bombo road as it was no longer considered safe, but via Soroti. The bulletin followed an attack by opposition forces on the presidential motorcade from Gulu.

Examples of military activity by opposition forces recently are the attack on a goods train to Packwach and the ambush of military convoys along the Kampala-Jinja road, another outlet from Kampala now disputed. In the last few days the head of state is reported to be "willing to negotiate with dissident groups." On March 28 Mr J. D. Turyagenda, the permanent secretary to the Ministry of Internal Affairs was gunned down in Kampala in the early afternoon by persons wearing the uniform of the Ugandan Army. Nationalist groups have denied involvement in what would appear to be the formative stages of infrastructural fallout in government circles.

Your article referred to "the speed with which the country's economy is bouncing back." In the first publication of the research and development committee of the National Resistance Movement Dr Kiggundu, the author and an associate professor in economics, discounts the notion of economic development. The author's doctoral thesis was on East African applied economics. More emotively in the second publication of the same committee, still to be issued, another contributor considers the long term effects of deficit financing the the military activity of the central authority as opposed to directing funds towards increasing the gross national product, as a means of maintaining a long term stranglehold on a latently prosperous economy.

Your article states that "in the past two years Uganda has returned to self sufficiency in food." Uganda is in the coveted position of probably being the most fertile nation on this earth. When there was a drought in the Karamoja district it turned into a famine because the machinery and willingness to distribute surplus food resources was lacking in the central authorities.

Deficit financing of non-economic activity in Uganda is a moral issue that is turning into a politically emotive issue at grass root level.

W. K. Lule,
89 Russell Court,
Woburn Place, WC1.

Research alone does not capture markets

From the Acting Director, Engineering Design Centre, University of Technology, Loughborough.

Sir,—David Fishlock's article —Dawn of the intelligent robot. March 31 — makes fascinating reading and gives an insight into the UK-U.S. situation in robotics research and yet the quizzical sting in the tail of the article, where he states "Japan, on the other hand, has achieved an incredibly succesful use of robots in manufatcure from a base of relatively little good adademic research."

In my opinion, they achieve the latter by operating in the "design mode" as opposed to the "research mode." Until we make this distinction between research and design, which covers the whole of our industrial and educational system, we shall continue to see the results of brilliant fundamental and applied research founder at the first commercial hurdle. Research alone does not capture markets—desirable, cost-effective products do.

Stuart Pugh.
University of Technology, Loughborough, Leics.

A publisher's solution

From Mr A. Curry

Sir,—Malcolm Rutherford remarks (April 8) on Roy Jenkins's 1947 Penguin book, which was called "The Labour case." There was, however, another one—by John Parker, then as now MP for Dagenham and currently Father of the House.

Parker's book "Labour marches on" was half the length and half the price of the companion book by Lord Hailsham (then Quintin Hogg) on Conservatism. Penguin had to add a publisher's note on the inside of the front cover explaining that "When the manuscripts were received it was found that while Mr Parker had kept closely to the length suggested, Mr Hogg's exposition ran to about double the size we had anticipated."

The solution was to issue "The case for Conservatism" as a Penguin Double, which prompted a further explanation: "The difference in price between the two books, therefore, does not mean that the publishers wish either to penalise the advocacy of Conservatism by charging the rader more than a fair price for it, or to suggest that Labour policy is worth only half as much as Conservative policy! As publishers we have no politics."

Andrew Curry,
20, Strathleven Road, SW2.

Capital gains tax

From Mr E. Bier

Sir, — The rich and elderly are well advised to consider avoiding payment of capital gains tax by holding on to assets with a high CGT element in order to leave them intact for their heirs. The not so rich and elderly have no choice but to realise any such assets and to pay CGT in excess of the annual exemption, if the assets are required to meet living expenses.

Tax reform seems to be governed by fiscal policy, general political considerations, administrative consequences and, perhaps, sometimes, equity.

Has the Government considered exempting pensioners from CGT on assets owned for minimum periods or tapering their tax rate? Surely, such a reform would result in little loss of tax revenue and a great increase in equity — and would be acceptable to all political parties.

E. M. Bier.
1, Milton Close, N2

FINANCIAL TIMES

Friday April 15 1983

WEST GERMAN PHARMACEUTICALS COMPANY WARNS OF DIVIDEND CUT

Bayer group profits down 31%

BY JOHN DAVIES IN FRANKFURT

BAYER, the West German chemical and pharmaceutical company, has suffered a sharp drop in profits and has warned that it will have to cut its dividend drastically.

Pre-tax profit of the parent company fell 14.3 per cent to DM 735m ($301m) last year, while the worldwide group's profits plunged 30.9 per cent to DM 970m.

The other members of West Germany's "big three" in chemicals – Hoechst and BASF – have already reported lower profits. Hoechst has cut its dividend and BASF is expected to do so later this month.

While the overall picture last year is bleak – with lower production, higher costs and overcapacity – the West German chemical industry has found some comfort in more recent trends. The industry, including Bayer, benefited from a slight recovery of demand within Germany late last year.

Companies see this domestic upturn continuing at a moderate pace this year, although exports remain weak. Dr Herbert Grünewald, Bayer's chief executive, said recently that the company strategy had been to take the necessary structural measures to withstand a lengthy difficult period, with recession giving way only slowly to a broadly based recovery.

In its interim report yesterday, Bayer said that the group's worldwide sales rose 3.2 per cent last year to DM 34.8bn – a drastic slowing down from the 17 per cent growth the previous year. In the fourth quarter, revenue was marginally better, showing a 3.3 per cent increase on a year earlier.

The parent company, based in Leverkusen, reported virtually stagnant sales revenue last year of DM 13.29bn. The increase of nnly 0.5 per cent compared with an 11.9 per cent rise in 1981.

While the parent company's sales within West Germany rose 4.5 per cent, exports slipped 1.7 per cent. This amounted to a sharp turnround from the export performance of the previnus year, when sales abroad jumped 15.3 per cent. Even so, exports still accounted for 62.6 per cent of the parent company's revenue, compared with 64.1 per cent in 1981.

In a trend fairly typical of the industry, the parent company's sales revenue in the fourth quarter forged ahead by 7.3 per cent within Germany, while exports were 5.3 per cent lower than a year ago.

Bayer attributed its woes to higher costs of labour and raw materials, pressure on prices and a fall of 4 per cent in the volume of the parent company's production.

It is also clear that Bayer has been burdened with considerable problems abroad, including the U.S.

Another headache is Agfa-Gevaert, its photographic products subsidiary. It is pushing on with restructuring measures here, including plans to close some operations at Munich in West Germany and in Portugal.

Bayer said that its results for 1982 were subject to higher taxes and special factors than in the previous year. This meant that it would have to think in terms of a "considerable" cut in the parent company's dividend.

The dividend has remained at DM 7 per DM 50 share during the previous three years.

However, as an indication of the industry's slightly improved position, Bayer pointed out that short-time working at its German plants had been ended at the beginning of February.

Its investment plans remain subdued, however. From their peak of DM 2.66bn in 1980, worldwide investment fell steadily to DM 2.1bn last year and is being tapered further to DM 1.9bn this year.

Suit filed against ex-Rumasa chairman

By David White in Madrid and Alan Friedman in London

THE first step towards criminal action over Spain's Rumasa affair was taken yesterday when the State Prosecutor's office filed suit against Sr Jose Maria Ruiz-Mateos, former chairman of the powerful holding group, and other members of his team.

The authorities are pressing, through a Madrid court, for charges on currency offences, falsification of documents, appropriation of tax funds, social security fraud and other alleged irregularities in the group before it was expropriated by the Socialist Government in February.

In London meanwhile, it emerged that the City branch of the Banco de Jerez, one of the former Rumasa banks now owned by the Spanish Government, was used as a "post box" for about $24m of loans which were *channelled from Spain to* London and on to companies in Argentina, Ecuador, Italy and Panama. Of this $24m, nearly $20m is believed to have been channelled back from a Panamanian company to London.

This money was then transferred, partly on the instructions of the Spanish head office of the Banco de Jerez and partly on the instructions of the Panamanian company, through a Swiss bank account and on to Multinvest a Netherlands Antilles company and its associates. Multinvest and its associates controlled the UK-based Augustus Barnett wine merchant chain and other companies.

Some of the money which was transferred through Panama was believed to have been then passed on to Augustus Barnett in London, which was unaware of the source of the funds. Banco de Jerez also made direct loans to Barnett, including a recent £2m rescue injection. Banco de Jerez's total outstanding loans and guarantees to Barnett now amount to $9m.

Multinvest and associate companies have been meanwhile the recipients of a grand total of $37m of loans from Banco de Jerez's London branch, on the instructions of the Spanish head office.

News of the lawsuit in Madrid yesterday followed the discovery of three alleged caches of Rumasa documents in the Spanish capital.

According to the special prosecutors appointed to investigate Rumasa's affairs the complaint cites Sr Ruiz-Mateos himself and "whatever other persons" may be held responsible for the alleged offences. Sr Ruiz-Mateos, who held half the shares in the Rumasa parent company, is believed to be in London.

The suit is in response to one filed by Sr Ruiz-Mateos's lawyers against the Spanish Government last week, for "spoilation" of the shares held by the former chairman and members of his family. The suit was turned down by the court.

The special prosecutors, who concluded the preliminary phase of their investigations on April 7, have been looking into, among other matters, the methods Rumasa used to channel funds to its foreign interests, notably in the UK.

It also emerged in London last night that National Westminster Bank, the primary UK banker to Augustus Barnett, has a total £3.5m in loans out to the wine chain. The Royal Bank of Canada's UK branch has an exposure of around £1m, which is guaranteed by the Banco de Jerez and forms a part of the Spanish bank's $9m of Barnett exposure.

The Co-operative Bank meanwhile is believed to have a loan exposure of £400,000, which went to finance freehold properties in the Barnett chain.

Natwest has the first floating charge on the wine chain, and is believed to have liens on securities totalling around £6m in the UK.

The Spanish Government, however, is now in effective control of Barnett through its ownership of Banco de Jerez, which has 100 per cent of Barnett shares pledged to it.

THE LEX COLUMN

A richer seam at RTZ

A further nudge from the authorities finally galvanised the clears into action yesterday, but the well foreshadow cut was greeted with no more than polite yawns on the gilt-edged market.

This latest move has been such a half-hearted affair all round that it would be unreasonable to expect another cout for the time being without a significant easing easing in U.S. rates.

RTZ

Forecasting profits for Rio Tinto-Zinc presents the kind of challenge with which students of the monthly money supply figures will be familiar. Many of the components can be estimated in advance but the final number may still surprise. So it was yesterday, as RTZ reported 1982 net earnings far in advance of the market's best hopes.

At £103.5m, attributable profits were scarcely changed from the previous year's but, after a collapse in interim earnings which had cast doubt over the final dividend, this was a surprising outcome.

Unexpectedly high currency translation gains accounted for some of the discrepancy but yesterday's 43p advance in the share price – to 588p – had far more to do with the flickering of a recovery in RTZ's cyclical mining operations.

CRA saw a small pick-up in the second half of last year, while Borax has survived a terrible period in the U.S. to report a fall in dollar earnings of only one fifth. So the closing months of the year presumably brought some recovery there too.

Given the marked evidence of a turn in the cycle, RTZ's trading forecast looks unduly cautious. But the group has never been renowned for the extravagance of its claims.

RTZ may, however, need a significantly higher trading return in order to make much impact on the bottom line. Roughly £650m was added to gross debt last year, almost a third of which was attributable to the consolidation of Comalco for the first time.

In addition CRA has been running up indebtedness at a remarkable rate, and capital spending for the RTZ group in the current year could well top £400m. So, even with a fall in rates, interest cover will not be generous and the tax rate looks set to hold at 50 per cent or more.

The 1982 dividend is less than covered by current cost earnings but RTZ should be able to set that right this year while providing shareholders with the first dividend increases for three years. The yield, meanwhile, is 4 per cent.

Taylor Woodrow

Nasty surprises in the UK construction sector yesterday were restricted to the po-faced announcement from AMEC about further losses in the William Press Group – less than full marks perhaps to Fairclough Construction and its advisers for their pre-merger homework. But Taylor Woodrow kicked off the reporting season for the major contractors with a 15 per cent increase in pre-tax profits to £28.5m, much as expected.

This advance may seem modest enough – even overlooking the distorting impact of the prior year's £4m provision against Taylor Woodrow's continuing work in Trinidad – but at least it takes the group beyond the £24m-25m level reported since 1978. Results in the UK have probably held up rather better than those of some of the group's main competitors. Overseas, Taylor Woodrow has stood its ground in the general downturn. Some reported recovery in its Canadian and U.S. housing markets might portend real growth in 1983 and a boom in the Malaysian market would be a just reward for its lonely vigil there in recent years.

Given the group's net cash position of £56m and a revalued property portfolio said to be worth 553p per share, signs of such growth could give the shares some chance of emulating the pre-tax profits by striking out of their familiar £5-£6 range occupied since early 1981. At 570p, up 5p, they are yielding 5 per cent.

ABP

Associated British Ports' results have emerged in line with the forecast in the offer for sale – with pretax profits of £5.5m. This is equivalent to £8.9m under the changed capital structure. A cautious statement emphasises that so far this year underlying volumes have changed little.

Southampton is now working normally, however, while severance payments should be significantly lower. With wage settlements running between 5 and 6 per cent, and benefits coming through from past manpower reductions, the outcome this year may be about £13m.

The shares have moved up steadily since the February flotation and at 158p, unchanged last night, stand on a prospective p/e of about 9½, fully taxed, and yield 6.3 per cent.

UDS

As Thomas Tilling ponders its defence strategy, it enjoys the unusual good fortune of two separate object lessons in how not to respond to an unwelcome bid, courtesy of Messrs. Sotheby's and UDS.

Sotheby's technique – based on the calligraphic handiwork of selected employees – is unlikely to make much of a mark on shareholders offered hard cash. UDS, meanwhile, finds itself in the absurd position of recommending, by a board majority, the lower of two offers.

UDS bases its recommendation of the 130p Bassishaw bid on the 1980 Companies Act's structure on director responsibility to employees. The legislation may be untested; it nevertheless imposes a genuine obligation on directors.

The sudden discovery of this section seems fortuitous. The UDS board majority now wants to dismiss paper offers as unreliable, but the Hanson share-based offer now stands 11¼p over Bassishaw's cash. This premium compares with a 6p premium in the original Hanson offer – which was accepted by the entire UDS board. Since then, there has been a total about-turn by the old guard in the UDS management.

The split in the board, not to speak of the prospective switch of merchant bank, has caused the weapon of a directors' recommendation to blow up in the old guard's hands.

For shareholders bemused by the infighting, the force – moral or otherwise – of a recommendation has been dissipated. The level of acceptances for the Bassishaw offer – less than 1 per cent – tells its own story.

Expelled Britons back from Moscow

By David Tonge, in London

MR ANTHONY Robinson, the Financial Times correspondent in Moscow, and Squadron Leader David Williams, the assistant air attaché at the British embassy, flew into London last night after being expelled from the Soviet Union. The twn men had been accused of "impermissible activities" but both deny the implied charge of espionage.

Mr Robinson, the first UK journalist to be expelled from Moscow fnr over ten years, insisted that he had tried tn treat Russia like any other country. "I tried to find out the truth about a very secretive society," he said.

Both he and Squadron Leader Williams described their expulsion as retaliation for the expulsion from Britain nf two Soviet officials for "activities incompatible with their status," according to the Foreign Office, and a journalist for "unacceptable activities."

The British Government said before their expulsion that it would view retaliatory moves by the Soviet Union "with extreme seriousness" and is now considering what steps to take.

The Soviet officials left Britain just before France announced the expulsion of 47 Soviet nfficials from Paris, and Mr Robinson said last night that Western embassies in Moscow were expecting further such steps against other officials by their countries.

Mr Geoffrey Owen, editor of the Financial Times, who was at the airport to meet Mr Robinson, stressed last night that the Financial Times had nn intention of replacing Mr Robinson as its Moscow correspondent. *Last Friday* he had urged the Soviet Union to reconsider its decision.

Mr Robinson, aged 40, had been Financial Times correspondent in Moscow for a year, while Squadron Leader Williams had been at his post fnr 11 months. The two Britons had been given a week to leave the country.

New spending by Parker Pen after first loss since 1932

BY DAVID DODWELL IN LONDON

PARKER PEN Company, the U.S. group, is to announce its first annual loss since 1932, Mr Manville Smith, president of Parker's Writing Instrument Group, disclosed yesterday.

He also announced that Parker was to invest £3.5m ($5.3m) in further modernisation of its main factory at Newhaven in south-east England. The investment follows capital spending amounting to about £4m over the past year and is part of a $30m worldwide plan for modernising the group.

The loss for the year to February, which is to be announced at the weekend, is attributed to the recession and to the cost nf reorganisation.

Over the past decade, a policy of putting prestige before price and product efficiency has cost Parker dear, particularly in the home U.S. market, where the company has no more than a 5 per cent share.

Since taking the reins two years ago, Mr Smith has orchestrated a sweeping reorganisation of the company. This has involved redundancies, rationalisation of the group's product range, centralisation of disribution, and the widespread introduction of robots.

At its main factory at Newhaven reorganisation involving the loss of more than 100 jnbs is almost complete. In Janesville, Wisconsin, birthplace of the company 96 years ago, modernisation is about to start.

About 80 per cent of the plant will be closed nn May 1, with full production not resuming until February next year. Only 300 of the present 580 workforce will escape redundancy.

The number of products made by Parker has been slashed from around 500 to just 80. The company plans to introduce one new product to the market every 90 days, the first of which will appear in August or September.

From this week, a new computerised distribution centre has gone into full operatinn in Newhaven. Closure of distribution plants overseas has accounted for 25 per cent of the group's redundancies.

Though Parker Pen is best known for its high quality pens, faltering performance here means that the lion's share of sales and earnings have in recent years come from Manpower, an employment agency.

In the fiscal year to February 1982, sales from Writing Instruments accounted for just 27 per cent of total sales worth $679.4m. Profits from the group amounted to $8.6m – a bare 22 per cent of total $37.7m pre-tax profits.

Parker claims above 25 per cent of the UK market and of the European market as a whole, measuring performance in terms of value rather than volume of sales.

By contrast, in the U.S., it has seen its market share slip steadily to an "embryonic" 5 per cent. Even in the new Japanese market – only entered 18 months ago, Parker sells better than in the U.S.

An important development at the centre of the company's strategy is the Rollerball, introduced in the UK 18 months ago to complement its fountain and ball-point pens. Parker was a late arrival by comparison with competitors, but its product is widely noted as technically well ahead of the competition.

UK energy minister pledges to promote oil market stability

BY RAY DAFTER, ENERGY EDITOR, IN LONDON

MR NIGEL LAWSON, the British Energy Secretary said last night that the UK would continue to promote stability in the oil market. His pledge is likely to be welcomed by several ministers of the Organisation nf Petroleum Exporting Countries who are due to meet in London at the weekend to review nil supply and pricing prospects.

The nil market now "appears to have stabilised," Mr Lawson said, adding that it was "hard to see a third nil shock of the nature of either of those we experienced in the seventies."

Mr Lawson was speaking in Guildford at a conference organised by Surrey University's Energy Centre, fnllowing widespread Nnrth Sea industry agreement for the new pricing package proposed by the state-owned British National Oil Corporation (BNOC). Within the industry it is felt that by proposing a reference price of $30 a barrel, BNOC has avoided provoking members of the Organisation of Petroleum Exporting Countries (Opec) into a "follow-my-leader" price-cutting battle.

Mr Lawson conceded the key role that BNOC had played in helping to create a more stable market. It had allowed time for the market's expectations to settle down, "reducing the danger nf an initial overreaction and so minimising unnecessary disruption," he said.

In the past, Mr Lawson has repeatedly emphasised that the British Government would not dictate price levels to BNOC. But it is known that in recent months, following meetings with Opec ministers, he has urged BNOC and other leading Nnrth Sea oil companies not to "rock the boat" with an aggressive price-cutting stance.

"The price of oil will inevitably be determined by the market, by the balance of supply and demand," Mr Lawson went on. "But the market's adjustment to these underlying forces can be more or less smooth, more or less erratic." The world had sufficient experience of the effects of nil shocks and the costs of economic adjustment to recognise the desirability of stability.

Mr Lawson indicated that the UK would continue to use its important position in the oil market to "promote stability without rigidity, in our own interest as well as that of the world as a whole."

Oslo may build new pipeline, Page 3

Altergo units to Data Logic

Continued from Page 1

er of defence electronics to the U.S. Government.

A number of parts of Altergo have yet to be sold, including its largest single subsidiary, Altergo (Software), which sells software packages worldwide.

Mr Ipe Jacoh, jnint receiver, said last night about a dozen companies were interested in Altergo (Software).

Two major Middle East contracts won by the subsidiaries bought by Data Logic are also to be sold separately by the receiver.

Elf nearer to chemicals deal

Continued from Page 1

gramme to invest in frontier oil and, gas exploration offshore California and Alaska, where it is teaming up with major U.S. nil companies including Gulf and Exxon.

M Chalandon warned that Elf's French hydrocarbon resources at Lacq, the company's traditional cash cow, would soon have to be replaced with equally profitable oil and gas resources. By 1985 Elf would see its revenues from Lacq decline by FFr 1bn a year.

Sotheby's name not for franchise, say bidders

BY CHARLES BATCHELOR IN LONDON

THE TWO American businessmen who have bid £61m for Sotheby's, the London-based fine art auctioneers, pledged yesterday that the company's name would not be used to promote other products if the takeover succeeded.

Mr Stephen Swid and his business partner, Mr Marshall Cogan, have made a cash offer for the 86 per cent of Sotheby's they do not already own through General Felt Industries and Knoll International, their carpet underlay and furniture manufacturing companies.

In the formal offer document sent yesterday they said they had identified areas where Sotheby's might expand its services to both sellers and buyers at its auctions.

In an effort to allay the fears of Sotheby's experts, who have threatened to resign if the bid goes through, Mr Swid said: "We will not franchise the name to any product."

He declined to say precisely what was planned for fear of alerting rival auction houses but he pointed to Sotheby's own post-war expansion in valuation and restoration services. He accused Sotheby's board of hiding behind its expert staff in the bid battle.

"The experts are being put up in front of the board," he said. "Some employees will leave before the deal is done. They are also scaring off customers."

Mr Swid and Mr Cogan have said they will offer Sotheby's staff a profit-sharing scheme if they gain control. However, one of the company's experts said that although pay was low, many staff members had private incomes and would not be interested in profit-sharing.

It emerged yesterday that Mr Cogan had, in 1969, been charged by the Securities and Exchange Commission (SEC), the U.S. securities watchdog, of violating its rules.

Mr Swid said the issue involved a "minor securities violation" and that Mr Cogan had acted on the advice of his firm's legal expert. The matter had been settled in 1974 by Mr Cogan signing a consent decree, which was not an admission of guilt.

Morgan Grenfell, the merchant bank which is advising the bidders, said: "It was what can only be described as a minor technical infringement. It was brought to our attention by them. We have had the full documentation and spoken to the chairman nf the SEC about it."

UK banks cut base rates

Continued from Page 1

ing could be short-lived, particularly if the market appeared determined to further reduce interest rates.

● The annual inflation rate, running at 5.3 per cent in February, is generally expected to start rising in the early summer. This would reduce the 4½ percentage point gap which has opened up between base lending rates and the inflation rate.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	15	59	Dubrovnik	F	13	55	Malaga	S	18	64	Salzburg	F	5	41
Akrotiri	S	19	66	Faro	F	18	64	Malta	S	18	64	Seoul	R	16	61
Algiers	S	17	63	Florence	F	16	61	Manila	S	36	97	Singapore	R	34	93
Amsterdam	F	10	50	Frankfurt	C	8	46	Miami	F	22	72	Stockholm	C	5	41
Athens	S	19	66	Funchal	S	23	73	Milan	S	14	57	Strasbourg	F	10	50
Bahrain	S	26	79	Geneva	F	9	48	Moscow	C	2	36	Sydney	S	19	66
Bangkok	S	35	95	Gibraltar	C	17	63	Munich	C	3	37	Taipei	S	30	86
Barcelona	F	15	59	Guernsey	C	10	50	Nairobi	F	26	79	Tangier	F	21	70
Beirut	S	23	73	Helsinki	F	5	41	Naples	F	13	55	Tehran	—	—	—
Belgrade	R	7	45	H. Kong	C	27	81	New Delhi	F	22	72	Tel Aviv	S	25	77
Berlin	R	6	43	Innsbruck	C	7	45	New York	S	7	45	Tenerife	S	25	77
Biarritz	S	14	57	Inverness	R	11	52	Nice	S	16	61	Tokyo	S	18	64
Blackpool	C	8	46	Istanbul	F	14	57	Oporto	S	21	70	Toronto	R	6	43
Bordeaux	S	13	55	Jersey	C	9	48	Oslo	S	7	45	Tunis	F	17	63
Brussels	F	10	50	Jo'burg	F	26	79	Paris	C	11	52	Valencia	F	16	61
Budapest	F	9	48	Las Palmas	S	26	79	Prague	R	6	43	Venice	F	15	59
B. Aires	S	24	75	Lima	S	29	84	Reykjavik	C	3	37	Vienna	R	7	45
Cairo	S	29	84	Lisbon	F	20	68	Rio de J'o	S	33	91	Warsaw	C	2	36
Cape Town	S	23	73	Locarno	S	14	57	Rome	F	17	63	Zurich	F	7	45
Caracas	C	27	81	London	C	12	54								
Casablanca	F	25	77	Los Angeles	F	9	48								
Copenhagen	F	7	45	Luxembourg	C	5	41								
Corfu	F	15	59	Madrid	S	19	66								
Dublin	F	11	52	Majorca	F	16	61								

Readings at mid-day yesterday.

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by G.T.S. Damer, Frankfurt/Main. A.V. Hare, R.A.F. McClean, M.C. Gorman, B.A. Lawrence, D.E.P. Palmer, London, as members of the Board of Directors. Printer: Frankfurter Societäts-Druckerei GmbH, Frankfurt/Main. Responsible editor: C. E. P. Smith, Frankfurt/Main.

SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Friday April 15 1983

American Express income up 37% in first quarter

BY RICHARD LAMBERT IN NEW YORK

FIRST quarter net income of American Express Company rose nearly 37 per cent to $161.5m, and net income per share climbed 29 per cent to $1.20.

The figures reflect the takeover of certain non-U.S. banking subsidiaries of Trade Development Bank Holding S.A., a move which helped push up net income from international banking services 163 per cent to $32m in the period.

The banking side was also helped by wider interest spreads, and the return on average assets jumped from 0.68 per cent to 0.99 per cent in the quarter.

The earnings gain also reflects booming conditions on Wall Street, which pushed net income from investment services up 136 per cent to $47m. Commission revenues rose 88 per cent in the three months, while revenues from market making and principal transactions more than doubled.

The group's longer established businesses also showed growth, although at a more sedate pace. Travel related services posted a 19 per cent gain in net income to $51m, helped by a 14 per cent increase in cards in force to 15.5m, a 13 per cent rise in card charge volume, and the lower cost of funding card member receivables. Net income on the insurance side climbed 9 per cent to $63m.

American Express is still suffering big losses from its Warner Amex cable television joint venture with Warner Communications, however. The figure is not broken out specifically, but the net loss as "other services and general corporate expenses" jumped from $15.1m to $31.8m in the three months.

Interfirst, holding company for the largest bank in Texas, suffered from uncertainties in the oil and gas industry. This forced it to increase significantly its provision for loan losses, reducing first quarter net profits from $50.1m, or 92 cents a share, to $37.4m, or 68 cents a share.

In the latest period loan loss provisions were more than doubled at $38m, against only $15m a year earlier. Last year's figures are adjusted to reflect the impact of acquisitions.

Bank of New York, the ninth largest in New York City and the 18th largest in the U.S., advanced at the net level from $16.2m to $21.5m, with per share earnings after securities transactions at $2.80, against $2.30.

The bank's loan provision grew $7.8m to $17.5m with the total loan loss allowance at $72m against $47.3m.

The boost in earnings was attributed to higher net interest income and increases in trust department fees and foreign exchange gains.

Net interest income was $112.2m against $95m. Non-interest income, including trust department fees, foreign exchange gains and other service charges, increased to $48.4m from $34.5m.

Japan plans $1.7bn Eurodollar borrowing

BY YOKO SHIBATA IN TOKYO

JAPANESE Government organisations and municipalities are lining up for an unprecedented spree on the Eurodollar market with as many as 30 issues of government guaranteed bonds in the pipeline, double last year's level, to raise Y409bn ($1.72bn).

The move follows the imposition of tight spending guidelines by the Tokyo Government in its 1983 budget. Faced with such restrictions the Government has urged these various organisations to go to the private money markets to obtain additional finances. Unable to tap the domestic market because of the excess of government bonds already circulating, the borrowers are now turning to the international markets.

Japan's Ministry of Finance is understood to be designing "traffic regulations" for each issue so as not to overburden individual markets. Japanese private placements on the Swiss market have, for example, been so numerous that there is now a long queue of borrowers and, in effect, a penalty called the "Japan rate" is in place.

The ministry is planning to guide borrowers away from the Swiss market and into the D-Mark market where conditions have improved following the discount rate reduction on March 17. A DM 120m issue for Kobe municipality, soon to be followed by similar sized issue for Nippon Telegraph and Telegramme and Japan Development Bank are planned.

Gulf Bank up 47%

BY ALAN FRIEDMAN, BANKING CORRESPONDENT, IN LONDON

THE GULF BANK, the second largest Kuwaiti bank, yesterday reported a 47 per cent increase in its 1982 profit, to KD 11.7m ($40.4m). The profit rise is larger than that of several other Kuwaiti banks for the year which ended last December 31, but the figures provide only a partial picture of the bank's performance.

This is because Kuwaiti regulations do not require the disclosure of vast hidden reserves. It is also difficult to glean much information on the amount of bad debt provisions the Kuwaiti banks have made. That is a particularly relevant aspect of a bank's performance, given the financial uncertainty and losses resulting from the collapse last summer of Souq Al Manakh, the unofficial stock exchange in Kuwait.

The balance sheet of Gulf Bank grew by 19 per cent last year to a total of KD 1.8bn in assets. Shareholders' equity has been increased to over $451m at March 31, 1983.

Tiger accounts qualified

BY OUR FINANCIAL STAFF

TIGER INTERNATIONAL, the financially troubled air cargo and transportation group which returned total losses of $136.2m for 1982 and has deferred $900m of debt payments reveals in its annual report a qualified opinion on its 1982 accounts from its outside auditors.

Accountants Arthur Andersen said the company's effort to reschedule debt and obtain more financing is a "significant factor that may have an important effect" on Tiger's future operations.

The company expressed confidence it would return to profitability, but gave no estimate as to when this would occur.

The annual report also showed that Tiger's current liabilities exceeded current assets by $40.8m at the end of 1982. Liabilities totalled $398m and assets $357.2m.

Tiger, which has total debt of about $1.8bn, suspended debt payments in February, and is in default because it has not obtained waivers from lenders.

Nedlloyd earnings plunge by 60%

By Walter Ellis in Amsterdam

AS EXPECTED profits at Nedlloyd, the Dutch shipping and transport group, dipped last year and funding of the concern's Fl 700m ($257m) investment programme for 1983 is now more than ever in the hands of the banks.

Earnings last year fell by 60 per cent, to Fl 58.9m, on sales up slightly at Fl 4.5bn, and prospects this year are for a further decline.

"A sustained bad state of affairs" in the world shipping market, especially in the crude oil and liquid gas sectors is blamed by Nedlloyd for much of its current situation. In particular, lack of demand has meant that the amount set aside for fleet value adjustment has had to be increased from Fl 70m to Fl 320m. Operating results fell sharply, from Fl 235m to Fl 113m, and the gross profit of Fl 75.4m was just over half the figure for 1981.

Nedlloyd says that the world shipping market is now so depressed that even forthcoming revenue from its participation in several North Sea oil fields and falling interest rates will not be sufficient to prevent a continuing deterioration in profits this year.

The proposed dividend of Fl 5.50 per nominal Fl 50 share is less than half the Fl 13 per share paid out last year. Reduced profit and the unfavourable outlook for the curreat year are given as the reason for the fall. Nedlloyd, which employs a workforce of 18,000, is hoping to dispose of a number of its older ships this year and is to replace them with several new coatainer ships now under construction in South Korea. The high cost of the new vessels as well as reorganisation charges within the transport and warehouse divisions of the group mean that cash flow is likely to be under pressure this year. Further bank loans may also have to be negotiated with ABN and AmRo, its main bankers. Nedlloyd's long-term loans at the end af last year amounted to Fl 1.63bn, up Fl 200m on 1981.

● For the third year running, Van der Giessen-de Noord, the independent Dutch shipbuilder, has managed to keep its results in the black. Earnings in 1982 were Fl 690,000 ($251,800), compared with Fl 638,000 12 months before, and sales were up 40 per cent, to Fl 424m.

The Rotterdam-based company expects a further positive result in 1983. The ship-repair and marine plastics divisions are likely to operate at less than capacity, but the main shipbuilding and naval yards have full order books and should record a clear net profit.

Assets of Van der Giessen rose fractionally last year, to Fl 37.8m, and employment held steady.

Gould to sell battery unit

By Our Financial Staff

GOULD has announced that it intends to sell its lead-acid battery operations.

In recent years the company has been seeking to concentrate on the electronics industry by selling unrelated business and acquiring athers such as American Microsystems.

Gould plans to start discussions immediately with several concerns which have indicated an interest in acquiring the battery operations. Last year these accounted for $389.9m of Gould's sales of $1.64bn.

The company said the battery business had not provided the same high rates of earnings and sales as its advanced technology electronics operations.

Nationale Nederlanden

NATIONALE Nederlanden, the major Dutch insurance group, is effectively to increase its dividend for 1982 from Fl 7.82 to Fl 8.20 per share. It was incorrectly reported yesterday (Page 17) that the company would omit its 1982 dividend.

FRANCE'S LEADING PRIVATE CARMAKER AIMS FOR FULLY AUTOMATED, BUT FLEXIBLE, PLANTS

Peugeot's drive for 'factories of future'

BY PAUL BETTS IN PARIS

THE PEUGEOT group, the large private French automobile manufacturer, plans to spend several billion francs on giving its five main car plants in France and its car factory at Vigo in Spain a new look by the end of the decade.

The investment plan will involve converting these facilities into fully automated "factories of the future," says M Jean Krautter, Peugeot's director of automation and new technologies.

Although Peugeot is burdened by dire financial problems and a complex labour situatioa at its big Citroën plant at Aulnay, near Paris, M Krautter insists the car group regards the automation of production at its car plants a priority.

He says the group is already spending about FFr 1bn ($138m) a year on automation, computer-aided design and computer-aided manufacturing systems (Cad-Cam). Even though some investments are being postponed because of the group's financial constraints and the uncertain state of the car market, the financial commitment to automate is being firmly maintained.

Peugeot has installed about 300 robots in its main car plants. The automation programme will involve a dramatic increase in robots to about 2,000 by the end of the decade. The group plans to invest a further FFr 130m on software to enhance its Cad-Cam operations.

M Krautter says strategy is to turn the group's factory at Rennes into the model of the future Peugeot plants. After Rennes the other main plants at Aulnay, Poissy, Sochaux, Mulhouse, and Vigo in Spain will be converted into "factories of the future."

"The main market here at our group for automated products will be in car assembly robots," M Krautter says. The majority of the 300 robots used by the car company are involved in welding, painting or stock handling operations. Only 1 per cent are involved in assembly. "At least 40-45 per cent of the 2,000 robots will be involved in assembly operations."

M Krautter explains that this is by far the most difficult aspect of automobile robotics. "We are looking for 'intelligent' robots which can differeatiate between a salooa model and a station wagon.

"At present there are what I call stupid robots which squirt paint or turn a screw at the same place at equal intervals without being able to tell the difference in the models."

The fully automated factory must also be flexible, M Krautter insists. "What we've had so far are plants that are automated, but rigid in their productioa systems. Automation must also be flexible."

As an initial experiment in the concept of the so-called "flexible factory," Peugeot will in June unveil an automated workshop at its factory at Meudon. The company calls it a "flexible automated workshop" because it is designed to produce a variety of components, experimental parts and prototypes.

The robots will also manufacture parts for robots and will be adapted to produce new and different components. M Krautter hopes the fully-automated workshop will operate on a 24-hour cycle. "Men may work for sevea hours a day, but machines must work for 24 hours to justify the kind of investments being made in automation."

But M Krautter acknowledges that France's other major car group, the state owned Régie Renault, has installed more automated hardware in its factories than has Peugeot.

"But we think we have integrated our automated systems better than Renault."

Renault is directly involved in the production of robots through its ACMA subsidiary – a supplier of robots to Peugeot. M Krautter says Peugeot does not, however, intend to enter the robot manufacturing market. "We want to use robots but we regard ourselves as automobile builders, not robot makers."

Peugeot has been buying robots from the U.S., Japan and from French manufacturers. Although it is not planning to enter the robot market itself, it is developing joint ventures to resolve the group's automation problems and needs.

M Krautter is keen to extend collaboration in automation between Peugeot and Renault to rationalise the market for the suppliers of the two large companies which are often the same for the Renault and Peugeot.

Among the small ventures being undertaken by Peugeot in the robotics field is the car group's decision to finance a small company called ITMI in Grenoble, an area M Krautter refers to as "France's small Silicon Valley."

"We are directly interested in how to programme and command robots. Even if this investment does not work out we hope to learn something more and new about robotics."

The biggest problem for Peugeot's ambitious automation programme is that it is being launched when the French labour unions appear to be using the car company as a test case of sorts for labour relations in France.

The problem, which is political and social, involves the complex and delicate issue of immigrant workers in France and their growing militancy in the labour movement.

Automation is clearly a major worry for the unions, and M Krautter acknowledged that automation would reduce the number of jobs at the Peugeot group.

"But the question is da you want to save a relatively modest aumber of jobs ar eventually lose 200,000 jabs?" he asks, emphasising that for the Peugeot group, the factory of the future is the only way to remain competitive.

Iveco at breakeven in 1982

By Kenneth Gooding in Turin

IVECO, Europe's second largest truck producer, managed to break even last year, Mr Giorgio Manina, the managing director, said yesterday. He added that the group did well to achieve this result.

Mr Manina pointed out that total sales of vehicles over three tonnes gross weight in Western Europe, where the group made 58 per cent of its sales, fell by 10 per cent.

Iveco's share of the West European market for commercial vehicles over three tonnes, excluding Italy, its major territory, rose from 7.8 per cent to 8.2 per cent. In Italy the group's share increased slightly to 79 per cent.

In addition, Algeria, Libya and Nigeria, which normally take about 10,000 Iveco trucks a year, bought virtually none in 1982.

In 1981 the group, which is a wholly-owned Fiat subsidiary registered in Amsterdam, made a net profit of Fl 60m ($21.9m).

Mr Manina said that Iveco's full results would be given when the parent group announced consolidated figures next month. At the Turin commercial vehicle show Mr Manina did reveal that Iveco's profit before tax and interest reached Fl 600m last year for a 6 per cent return on sales of Fl 9.5bn, against a profit of Fl 680m in 1981.

Over-capacity in the industry had also sparked a worldwide price war last year, and Iveco bad to cope with the expense of closing its bus plant at Mainz, in West Germany.

Mr Manina suggested Iveco's financial position was continuing to improve, but 1983 would not be an easy year. But the steps taken to rationalise the business and to cut costs, as well as those which had strengthened the dealer aetwork, would stand the company in good stead.

Albany Int. to go private

ALBANY International, the U.S. industrial products and equipment manufacturer, is going private after an agreement to merge with a corporation formed by several senior managers.

Shareholders will receive $40 a share, valuing the company at about $270m. The shares closed at $34½ on Wednesday.

Senior managers, several major shareholders and institutional investors will be equity participants in the new corporation.

Alfa-Laval issue to raise SKr 200m

BY DAVID BROWN IN STOCKHOLM

ALFA-Laval, the Swedish farm equipment and process engineering group, will make a private share placement in the UK to raise SKr 200m ($26.8m).

The new issue of 800,000 B shares, the only kind which may be bought by foreign investors under Swedish law, is exclusive of the one-for-three scrip issue recommended by the board. It will increase total share capital after the bonus issue by 5.7 per cent.

Mr Sverker Lundkvist, group finance director, said the new bonds would be used to finance overseas expansion, particularly in the marketing companies, and also through unspecified aew acquisitions.

About 85 per cent of sales come from abroad, with 70 per cent generated in Europe. The group also plans to expand "as rapidly as possible" on the U.S. and Southeast Asian markets.

Alfa-Laval bought a 25 per cent stake worth $5m, in a Swedish consortium which purchased an interest in Gentech, the U.S. genetic technology company last year.

The placement is to be managed by Schroder-Wagg in the UK. A small number of shares managed separately will be made available in the U.S. as well.

A decision on the new issue is to be made at the annual meeting May 4. Alfa-Laval profits before tax in 1982 grew 28 per cent to SKr 657m on sales of SKr 8.2bn.

At the same the Alfa-Laval has jained a consortium to set up a aew venture capital company with a capital of SKr 100m (U.S.$13.4m), writes Elaine Williams in London.

The new company Four Seasons Venture Capital will be the largest private-risk capital enterprise in Sweden, and one of the largest in Europe.

The aim is to provide funds for the large number of talented entrepreneurs by acquiring interests in small and medium-sized high technology companies in Sweden.

Apart from Alfa-Laval, which has interests in engineering, the food productian and marine industries, two Swedish pensions funds and private U.S. and Swedish interests have invested in the new company. The pension funds are the Swedish Staff Pension Society and the Fourth National Swedish Insurance Pension Fund.

Alfa-Laval had been considering investing in a venture capital company for some time, said Mr Harry Faulkner, president and chief executive of the group.

North American quarterly results

BAXTER TRAVENOL

First quarter	1983	1982
	$	$
Revenue	425.6m	381.8m
Net profits	48.9m	40.4m
Net per share	0.69	0.57

BOMBARDIER

Fourth quarter	1982-83	1981-82
	$	$
Revenue	163.0m	154.5m
Net profits	2.19m	†13.86m
Net per share	0.40	†2.54
Year		
Revenue	591.1m	448.8m
Net profits	6.1m	†18.49m
Net per share	1.12	†3.38

† Loss

HARRIS BANKCORP

First quarter	1983	1982
	$	$
Revenue	—	—
Net profits	9.88m	7.88m
Net per share	1.37	1.21

HILTON HOTELS

First quarter	1983	1982
	$	$
Revenue	145.7m	155.3m
Net profits	14.3m	21.99m
Net per share	0.54	0.82

IC INDUSTRIES

First quarter	1983	1982
	$	$
Revenue	998.3m	914.8m
Net profits	6.9m	7.7m
Net per share	0.14	0.18

REPUBLIC NEW YORK

First quarter	1983	1982
	$	$
Revenue	—	—
Net profits	19.21m	16.09m
Net per share	1.41	1.32

Daewoo lifts consolidated turnover

BY ANN CHARTERS IN SEOUL

DAEWOO CORPORATION, one of Korea's major groups and the only one that publishes consolidated results, reported net profits of $37.6m on sales of $3.35bn for 1982.

Although sales were 14 per cent up over 1981 $2.94bn, the profit figures are not comparable because assets were revalued over 1982 in accordance with Korean law. Had the revaluation not been made, earnings would have been $2.3m lower. It is common practice for Korean companies to revalue assets to reflect inflation.

Mr Lee Kyong-Hoon, Daewoo's president, said that earnings were derived mainly from construction activities, with sales in this sector totalling $1.1bn

Only seven Daewoo companies have their results consolidated with the parent company. The seven are Koryo Leather Industrial, which manufactures shoes and leather goods, Daewoo Electronic, which produces audio-electronic products, Dongwoo Development, a hotel management company, Korea Stell Chemical, which produces coal tar derivatives, Wonlim Industrial, which manufactures garments, Korea Capital Corporation, which provides long term financial services, and Daewoo International (America) in New York, the only overseas subsidiary of Daewoo that has its results included.

The Daewoo group has 29 affiliated companies and 14 overseas subsidiaries. Only those companies in which the parent holds more than 50 per cent of the equity have their results consolidated in this report. Companies in which Daewoo has an equity participation of between 20 per cent and 50 per cent have an equivalent portion of their earnings or losses included in the consolidated statement.

Among Daewoo companies well known internationally but not consolidated are Daewoo Shipbuilding and Heavy Machinary, which is only 49 per cent owned by Daewoo, and is said to have had a $9m loss in 1982, its first full year of operation, on sales of $485m. Another is Daewoo Heavy Industries, which manufactures rolling stock and diesel engines and is listed on the Korea stock exchange. Only 35 per cent of its shares are held by the parent.

Daewo Motor, formerly Saehan Motor, a 50:50 joint venture with General Motors of the U.S. is also unconsolidated. It started to show a profit for the first time in the fourth quarter of last year, but is said to have incurred record losses of about $30m on sales of roughly $262m.

The parent company, Daewoo Corporation, which is the trading and construction arm of the group, is listed on the stock exchange and earlier reported sales of $3.03bn, up 19 per cent, and net profits of $48.1m, down 43 per cent, for 1982. Operating income was $126m compared with $190m in 1981. Korean accounting practices allow the inclusion of inter-company balances and transactions.

Last year was the first full year for Daewoo Corporation following the merger of Daewoo Development and Daewoo Industrial.

New orders from overseas declined slightly to $534m during 1982, but overseas sales based on projects completed or in process were up 50 per cent over 1981 at $779m. The highly competitive trading business itself had not been too profitable according to Mr Lee.

Expectations for 1983 are that earnings from construction and heavy industry, particularly in rolling stock, engines and defence items will increase. Daewoo's Okpo shipyard could well be in the black for the first time and the recovery in the domestic motor market should mean far better results for Daewoo Motor.

Textiles are also expected to be stronger this year. However, Taihan Electric Wire, a major home appliance manufacturer that Daewoo acquired earlier this year, is proving to require more investment to turn round its loss-making operations. The takeover of Sambo Securities, slated for sometime next month, is not expected to have any adverse effect on Daewoo's earnings projections.

The group's export target for 1983 is $2.6bn, a hefty 30 per cent increase over 1982.

Setback at Korean bank

By Our Seoul Correspondent

KOREA FIRST BANK, the country's third largest nationwide commercial bank in terms of total assets, had its worst year in terms of pre-tax and after-tax earnings compared to outstanding assets last year. With assets totalling $8.9bn the bank posted $14.3m in operating income before taxes and $9.9m after taxes.

Even though total assets grew by 6 per cent over the previous year, earnings declined compared to 1981, when before-tax earnings were $18m and after-tax earnings were $15m on assets of $8.4bn.

The drop in earnings occurred primarily because of lower interest rates put into effect in mid-1982 as part of a government economic package

Korea First Bank, one of two banks denationalised last year, expects 1983 earnings to improve.

Pioneer Concrete rights issue

BY LACHLAN DRUMMOND IN SYDNEY

PIONEER CONCRETE Services, the Australian group which recently took over Mixconcrete of the UK, is seeking A$93.6m (U.S.$81m) through a one-for-three rights issue to share and convertible noteholders.

The call for cash is likely to be emulated by other companies in the currently strongly rising Australian share-market and has raised speculation that Pioneer will move to buy up minority interests in Ampol, the 65 per cent owned oil group.

The 50 cent shares are being offered at a premium of 50 cents with the A$1.00 issue price representing a steep discount on the A$1.75 market quote prevailing before the issue.

The company's last issue was in mid-1981 through an underwritten placement which raised A$90m. However, underwriters were sorely tested with the share price falling sharply below the underwritten price of A$2.20 to as low as A$1.15. The funds were then used as the cash portion of Pioneer's bid for the Kathleen Investments-Queensland Mines uranium group.

Directors said the cash from the latest issue would be used for working capital and "general requirements related to expansion of the group."

Sir Tristan Antico, the chairman, has already ruled out Pioneer buying a bigger market share in the troubled Australian concrete and quarry sector.

Directors intend holding the dividend at an annual 10 cents a share after the recent 5 per cent interim on bonus increased capital, which came from net earnings 12 per cent ahead at A$36m.

Poor results from Japanese retailers

BY YOKO SHIBATA IN TOKYO

THREE OF Japan's major supermarket chains, Jusco (third largest), Nichii (fifth largest) and Nagasakiya (seventh largest), have reported a poor earnings performance for the year ended February 28, 1983, because of lower consumer spending.

Jusco's unconsolidated operating profits were almost unchanged from the previous year at Y16.3bn ($68.8m) with net profits of Y8.7bn, up 1.6 per cent, on sales up 6.9 per cent at Y652bn.

In the current year, ending February 1984, Jusco is forecasting a 4 per cent growth in operating profits.

Nichii, which recently dropped a plan to merge with Uny, the sixth largest supermarket chain, reports a 19.8 per cent fall in unconsolidated operating profits, with net profits down 17.7 per cent at Ybn.

Nichii's sales were marginally up at Y505bn, affected by low demand for clothings and furniture.

In the current year Nichii plans to achieve operating profits of Y12.5bn by carrying ont rationalisation and cost saving measures. Net profits are projected as remaining at Y6bn and sales as rising 5 per cent to Y530bn.

Nagasakiya's parent company operating profits rose by 7.9 per cent to Y3.92bn. However, net profits, of Y1.75bn, were down by 42 per cent, on sales of Y267bn.

The company cut its term-end dividend by Y2.5 to Y7.5.

For the current year Nagasakiya sees operating profits rising by 10 per cent to Y4.3bn and sales of Y272bn.

Tight margins curb growth at Mahindra

By R. C. Murthy in Bombay

A SHARP contraction in profit margins at Mahindra and Mahindra, a major automotive engineering company saw profits before tax, depreciation and other provisions increased by only 10.5 per cent to Rs 237.3m ($23.8m) for 1982 in spite of a 15.7 per cent increase in turnover to Rs 3.04bn.

Profits after tax and other provisions rose hy 18.3 per cent to Rs 111.8m compared with Rs 94.5m in 1981. The company has benefited from tax rebates for investment in modernisation and expansion.

Mahindra originally produced the American Jeep vehicles under licence. After the expiry of the licensing period, it expanded production of Jeep type vehicles and diversified to tractors and light commercial vehicles. Mahindra is also the holding company for units manufacturing heavy trailers for automotive vehicles and related engineering products.

Retrictions imposed on hire purchase finance by commercial banks, as part of the monetary policy of the Reserve Bank of India, affected sales of light commercial vehicles and tractors. To offset the loss in domestic sales, the company stepped up its overseas sales, especially of Jeep-type vehicles fitted with Peugeot diesel engines. Iran, Australia and Mauritius emerged as the main customers last year.

Mahindra is manufacturing, in technical collaboration with Peugeot of France, a modern fuel-efficient diesel engine for a Jeep-type vehicle at its works in Bombay. A new engine plant is upnder construction 100 km from Bombay.

The company has entered into technical collaboration with CompAir of the UK to manufacture hydraulic regulators as part of an updating of its instrumentation division.

Sharp advance by Powertech

By Our Johannesburg Correspondent

Power Technology (Powertech) the Electrical company increased pre-tax profits by 65.5 per cent to 12.5m ($11.4m) for the year ended February 28 on turnover up by 37 per cent to R97.6m.

The dividend has been increased from 2 cents a share to 3 cents from earnings up from 5 cents to 7.6 cents.

M. P. Kent interim profits decline

AS FORESHADOWED at the AGM last November, the retention of selected property developments for investment income has affected sales and profits of residential and commercial property developer M. P. Kent in the half year to end-December 1982.

Sales fell from £12.4m to £5.34m and at the pre-tax level profits emerged at £740,000, compared with £2.66m previously. However, the directors say sales and profits will be compensated by a build-up of a more consistent quality rental income and longer term capital growth.

The net interim dividend is held at 0.36p per 10p share—a final of 0.9p was paid for 1981/82. First-half earnings per share totalled 1.73p (6.2p).

The company's major property developments previously announced are substantially completed and lettings are proceeding. A new development programme has been embarked on involving prime enclosed shopping centres where Kent sees tenant demand and future growth.

The company intends at the appropriate time and subject to market conditions, to raise finance for its future property funding. Its liquidity remains strong."

Beauford up sharply to £607,000

Pre-tax profits of the Beauford Group moved sharply ahead from £356,000 to £607,000 in 1982, following the half-time rise from £189,264 to £344,196.

The immediate prospects however are sluggish, although the group is well placed to benefit from an economic upturn.

The final dividend is being lifted by 50 per cent to 2.1p (1.4p) raising the total payment from 2.1p to 3.5p net. Stated earnings per 10p share increased from 6.8p to 11.6p.

Turnover for the 12 months advanced from £5.46m to £7.58m. Last year's pre-tax profits were struck after an exceptional debit of £47,000. The tax charge increased from £135,000 to £229,000 and this time there was also an extraordinary debit of £50,000.

The directors say the company's liquidity is greatly improved.

The company makes heavy machine tools and plant and spares for the steel and other industries.

Taylor Woodrow expands to £28.5m

AN INCREASE of 15 per cent in pre-tax profits to £28.54m has been shown by Taylor Woodrow, international engineering, construction and development group, for the year to the end of December 1982, up £3.68m on 1981. The dividend has been raised by 19.58 per cent.

The pre-tax figure included sharply increased Far East profits of £2.29m against £757,000 and profits from the Americas of £1.2m compared with previous losses of £2.7m. Overseas profits overall moved ahead from £8.12m to £12.17m.

The properties of the group, with the exception of those held for or under development, were valued as at December 31 1982 on an open market basis. After deduction of minority interests, the surplus on valuation amounting to £30.08m has been credited to capital reserves.

The net final dividend has been lifted to 14p against 13.157p which raises the total from 16.307p to 19.5p. Earnings per 25p share were given as moving up from 49.7p to 54.7p before extraordinary credits, and as 53.4p (48.3p) fully diluted.

HIGHLIGHTS

Lex today looks at Rio Tinto-Zinc which surprised the market with a strong recovery in the second half to finish 1982 with pre-tax profits marginally ahead at £103.5m, against £102.3m. The column goes on to look at the first figures from Associated British Ports since coming to the market. The company, in line with forecast, swung from a £10.3m pre-tax loss to a £5½m profit in 1982, and should see progress this year even though volumes are not significantly higher. Lex also examines the figures for last year from Taylor Woodrow where pre-tax profits were increased 15 per cent to £28.5m. Among the rest of the company news London Brick, whose bid for Ibstock Johnsen has been referred to the Monopolies Commission, lifted fulltime profits nearly 37 per cent to £15.3m.

Group turnover, including associated companies, was £605m, compared with £575m.

A breakdown of turnover and pre-tax profits by activity shows: contracting £466.1m (£434.8m) and £14.97m (£12.04m); property £24.6m (£21.2m) and £4.87m (£4.98m); housing £54.8m (£63.6m) and £4.89m (£5.85m); other £59.1m (£55.8m) and £3.82m (£2.01m).

A geographical breakdown of turnover and pre-tax profits shows: Australasia £15.4m (£14.8m) and £693,000 (£115,000); Far East £24.8m (£11.1m) and £2.29m (£757,000); Middle East £57.4m (£50.8m) and £7.04m (£8.18m); The Americas £52.9m (£61.6m) and £1.2m (£2.7m losses); Africa £38m (£41.2m) and £1.33m (£1.91m); Europe £5.1m (£7.6m) and losses of £371,000 (£99,000); UK £413m (£388.3m) and £16.37m (£16.75m).

Pre-tax profits were struck after depreciation of £10.39m (£12.7m) and included associate profits ahead from £2.42m to £6.15m.

Tax charges amounted to £11.47m compared with £9.23m which included a UK charge of £6.87m (£4.11m). Minorities accounted for £929,000 (£1.02m) and after extraordinary credits were reduced from £6.02m to £1.37m, attributable profits emerged lower at £17.52m.

Extraordinary credits included lower exchange profits of £2.31m (£4.64m) and reduced profit on disposals of £1.14m (£5.25m). There was a net amount of £411,000 written off this time on a property revaluation and property valuation expenses of £240,000. Tax was cut from £3.4m to £533,000 but minority interests rose from £171,000 to £760,000. Associates, net of tax, took £130,000 (£300,000).

After dividends absorbed £5.76m (£4.82m) the balance retained slipped from £15.83m to £11.76m.

See Lex

Miss World Gp. shares buoyant on first day

Shares in Mr Eric Morley's Miss World Group, which were last week placed by brokers Schaverien at 60p each, yesterday started life at 132p. That represents a premium of 120 per cent over the placing price and capitalises Miss World Group at almost £2.6m. The shares fleetingly touched a high of 137p, but fell back to close at 132p.

A jobber dealing in the shares yesterday pointed out that even on the USM it was very rare for a share to open at over twice its placing price.

The shares were priced in order to value Miss World Group at the same price as Mr Morley paid when he acquired it from Bellhaven in January.

Mr Morley said the price of Miss World once in the market showed that "we could have got more."

Benford falls to £2.2m but pays more

Despite a fall in 1982 pre-tax profits from £3m to £2.2m, Benford Concrete Machinery is raising its dividend to 3.48p, against 3.025p previously, with a higher final of 2.605p.

Turnover for the year rose marginally from £24.3m to £24.44m. After tax of £0.74m (£1.32m) the net surplus came out at £1.47m (£1.68m).

Morgan Crucible final quarter leaves surplus down at £4.7m

A SLIDE into the red of £385,000 pre-tax has been shown by Morgan Crucible Company for the last quarter of 1982 compared with profits of £2.75m previously, which sharply reduced the full year's surplus from £8.07m to £4.72m. The total dividend has been maintained.

Turnover of this supplier of materials and components for use in electrical, mechanical electronic industries moved ahead for the year from £133.01m to £152.46m.

Current indications, say the directors, are that most economies in which the group operates have either stabilised or are improving. In line with other cost reductions the directors say they intend to issue profit statements at six-monthly intervals in future.

Profits for 1982 have turned out as anticipated in the nine months statement the directors continue, with virtually no contribution at the pre-tax level in the second half.

A breakdown of trading profits (£8.78m, against £11.77m) by division shows: electrical carbon £2.63m (£3.13m); special carbons and ceramics £840,000 (£969,000); thermic £2.46m (£3.55m); lubrication £2.31m (£2.05m); Acorn £402,000 (£317,000); other products £891,000 (£1.14m); holding company £258,000 (£611,000).

Plans to reduce UK overheads cost about £750,000 in the last quarter. Although there is as yet little sign of substantial worldwide economic recovery, the improvements being experienced in the UK and America are encouraging, say the directors. In addition, the present value of the pound is helpful bearing in mind that more than 65 per cent of group sales take place overseas.

The final net dividend is being held at 4p which maintains the total at 7.5p. Earnings per 25p share are given as sharply reduced from 10.5p to 3.5p.

Pre-tax profits were struck after interest took more at £5.12m against £4.02m. Investment income was reduced from £330,000 to £54,000.

Tax—less capital expenditure grants—amounted to £2.37m, compared with £2.99m. There were extraordinary credits this time of £2.11m. After minorities and preference dividends, attributable profits fell from £4.67m to £3.96m.

Extraordinary debits include a net surplus of £277,000, arising from the sale of a subsidiary, plus a surplus of £950,000 on sale of land at Battersea—the latter included capital gains tax of £59,000. Also included was £878,000 in repayment of loan stocks.

On a current cost basis pre-tax profits were reduced to £250,000, compared with £2.95m.

Lec cuts its dividend by 2.5p

Lec Refrigeration, manufacturer of commercial and domestic refrigerators, returned pre-tax profits of £2.44m for 1982, a shortfall of £495,000 on 1981's figures. Turnover moved ahead from £38.06m to £43.24m.

After a much higher tax charge of £741,000, compared with £401,000 profits at the attributable level were reduced by £835,000 to £1.7m and the dividend is being cut from 8p to 5.5p net per 25p share by a final payment of 2.75p (5.25p).

Earnings per share tumbled from 41.9p to 28.09p.

After six months profits were £362,000 behind at £1.11m and although there was a worthwhile improvement in sales for July and August the directors thought it unlikely in view of the world economic situation that the full year result would equal that of 1981.

A. B. Ports hits target with £5.5m for 1982

PRE-TAX profits of Associated British Ports Holdings, at £5.5m for 1982, were in line with the £5.4m predicted in the recent offer for sale prospectus and compare with a loss of £10.3m the previous year.

As forecast, no dividend is payable in respect of 1982 but in the absence of unforeseen circumstances the directors, headed by chairman Mr Keith Stuart, expect to recommend total dividends of not less than 7p net for the current year—this would be paid as an interim in November and a final the following May.

Mr Stuart says the general level of UK economic activity and the volume of overseas trade have not yet shown any significant improvement but the group's overall trading performance in the first quarter of 1983 has been "satisfactory."

Revenue for 1982 expanded from £128.2m to £151.6m and at the operating level there was a surplus of £15.1m, compared with £2.3m the previous year—the group, in which the Government has a 48.5 per cent stake, is Britain's largest ports operator.

Pre-tax figures included investment income of £1.1m (£1.5m) and were struck after exceptional deductions of £3.6m (£7m) mainly relating to severance costs and same-again interest charges of £7.1m.

Tax credits of £0.3m (£1.5m) lifted the net balance to £5.8m (£8.8m loss)—earnings per share are not stated in view of the substantial changes which have occurred since the group's year-end.

Mr Stuart says the group's recovery was achieved despite a continuation of the recession and unfavourable trading conditions. Costs were contained, operating efficiency improved and Southampton returned to normal working. Total volume of business increased by over 1.5m tonnes, mainly as a result of higher exports.

A breakdown of revenue and operating profits of the group's ports shows: Southampton £44.2m (£24.7m) and nil (£10.4m loss), Humber £52.4m (£48.1m) and £6.6m (£2.4m), South Wales £36.6m (£39m) and £4.1m (£6.8m) and other ports £18.4m (£16.4m) and £4.4m (£3.5m).

See Lex

Octopus adopts tender method for full listing

BY DOMINIC LAWSON

Octopus Publishing Group is coming to the Stock Market for a full listing. The company publishes colour illustrated books, mainly non-fiction—it pioneered the production of own-brand books for retailers.

Yesterday merchant bankers N. M. Rothschild said that underwriting had been completed by the offer for sale by tender of 3.1m ordinary shares of 20p each in Octopus. On the basis of the minimum tender price of 275p per share, Octopus will be capitalised at £30.1m.

Mr Michael Richardson of Rothschilds said that the tender method had been chosen because Octopus was "unique." He had been impressed by the use of the tender method in last month's offer by Lazard of shares in Datastream.

Octopus also has in issue deferred shares, which will not be listed, but which represent 30 per cent of issued shares following the offer for sale.

The prospectus will be published on Monday. The application list will open next Thursday and the striking price and basis of allocation will be announced as soon as possible afterwards.

No money is being raised by the offer—Octopus holds net cash of about £8m. Founder chairman Mr Paul Hamlyn has sold 2.4m shares as part of the offer, and the rest represents the sale of shares by other directors and their families.

Following the sale Mr Hamlyn, his family and related interests will hold 63 per cent of ordinary shares, and 85 per cent of deferred shares, a total 68 per cent of issued shares.

Octopus has a catalogue of 800 active titles in English and in its 10-year history the company has sold more than 110m books.

Octopus policy is based on the fact that about 60 per cent of the adult population are not regular book purchasers. The company decided to sell books to multiple retailers and supermarket chains, starting with Marks & Spencer.

Mr Hamlyn yesterday described himself as being "extremely excited and a little nervous" at the event. He said the move to a public quote was appropriate "as I have changed from being an enfant terrible to being middle aged."

When asked why Octopus is not making a profits forecast with the offer, Mr Hamlyn said: "We don't have to, so we didn't."

In 1978 pre-tax profits came to £2.6m, but the company did not make more than this until 1981 when the figure reached about £3.8m. Last year's pre-tax profits were more than £4.8m, including £800,000 of interest and investment income.

Although there is no profits forecast, Mr Hamlyn insisted yesterday: "If I didn't think that we would do better this year than last year, then we wouldn't be coming to the Stock Market."

The actual historic price earnings ratio of Octopus, based on the ordinary and deferred shares after the issue is 13. The fully taxed multiple is 18.6. Gross dividend yield on each ordinary share, on the basis of the indicated dividend of 8p per share is 4.2 per cent.

Motor cycles hit Refuge

Refuge Assurance has virtually ceased to transact motorcycle insurance in Britain and all types of motor insurance in Northern Ireland following continuing heavy underwriting losses last year.

Premium income on motor insurance declined by nearly 30 per cent, but underwriting losses rose slightly from £923,000 to £933,000, with a significant part of the loss coming from motorcycle insurance and all types of motor insurance in Northern Ireland. The company increased its motor premium rates on October 1.

The 1982 report and accounts show that property insurance premiums rose by 7 per cent, solely from the rise in sums insured. Underwriting losses on the property account almost doubled from £399,000 to £683,000, primarily from the severe winter weather at the beginning of the year. The company was also hit by the rising number of thefts in the UK.

A brighter picture is reported by the company on its life business. In the ordinary branch total premium income rose by 6 per cent and the value of the fund increased over the year from £208m to £222m. Expenses and commissions amounted to 29.4 per cent of premium income against 28.7 per cent in 1981, excluding the special payment.

The industrial branch fund rose from £249m to £270m, with premium income advancing 7 per cent. The expense ratio was slightly higher at 42.8 per cent.

Mr P. W. Smith, in his chairman's statement, warns of the dangers of pressure for consumer protection delaying the return to economic good health in the country. Industry's sights should be set on expanding the economy and assisting in reducing the level of unemployment. Anything that holds this back, however needful in the long term, must be deferred.

London Brick up 37% at £15.3m

IN LINE with the forecast of not less than £15m made in December at the time of the offer for Ibstock Johnsen, pre-tax profits of London Brick advanced to £15.33m for 1982—an increase of nearly 37 per cent on the previous year's £11.15m.

As predicted, the final dividend is raised to 3.5532p net for a total payment 12.5 per cent higher at 5.5042p per 25p share, compared with 4.8926p. A one-for-one scrip issue is also proposed.

Commenting on the figures, Mr Jeremy Rowe, the chairman says the substantial improvement in pre-tax profits reflects the group's success in a year of achievement and change.

During the year, the group carried out a major restructuring of its operations; forming new subsidiaries to act as profit centres for its engineering and property activities, and to take control of and concentrate on the brickmaking operations. These were previously a function of the holding company.

The group reports that Banbury Homes and Gardens, which has been trading unprofitably, has been sold to London and Midland Industrials. The purchase consideration, which is based on net assets at December 31 1982, amounts to £3m in cash, but is subject to a rebate equal to the net losses incurred from January 1 1983 to April 13 1983.

London Brick's turnover for 1982 advanced from £127.09m to £137.46m.

Pre-tax results included investment income down from £655,000 to £326,000 and this time a share of an associate's profit of £542,000.

The tax charge was up from £4.1m to £4.36m but after deducting reduced extraordinary items of £0.83m (£3.14m) the attributable surplus came out well ahead at £10.14m, compared with £3.91m. Dividends absorb £3.56m (£30.6m) leaving a retained surplus of £6.58m (£0.86m).

During 1982 London Brick acquired a 20 per cent stake in an Australian brickmaker, Brick and Pipe Industries, which has interests similar to its own.

The group also launched an agreed bid for Ibstock Johnsen, which was referred, along with a competitive bid by Redland, to the Monopolies and Mergers Commission whose report will not appear until later this year. As the bid lapsed automatically on referral, London Brick will be reconsidering its position when the report has been issued.

	1982 £'000	1981 £'000
Turnover	137,456	127,089
Trading profit	19,297	14,948
Depreciation	3,180	3,087
Interest paid	1,657	1,362
Investment income	326	655
Share of assoc.	542	—
Profit before tax	15,328	11,154
Taxation	4,360	4,099
Net profit	10,968	7,055
Extraord. debits	829	3,144
Attributable	10,139	3,911
Pref. dividends	22	22
Ord. dividends	3,533	3,033
Retained	6,584	856

● comment

Despite little more than a marginal general recovery in the brick market, London Brick's 37 per cent pre-tax profit improvement clearly reflects the benefits flowing from the 30 per cent capacity reduction in 1981. Some growth in the housebuilding market has helped to reduce the brick mountain from a peak of 600m last year to less than 400m, but the fact that production capacity is now more in line with demand is more significant than the current level of the stock cushion. Early recognition that the "common" brick market is contracting, prompted the company to move into higher-margin face bricks, which comprised roughly 66 per cent of last year's deliveries. Lossmaker Banbury Homes and Gardens has been chopped out of the group though this is of secondary importance to the relatively buoyant outlook for housing in the current year. The bid for Ibstock Johnsen has been referred to the Monopolies Commission and the company, along with its rival, Redland, will decide whether to renew their offers following the Commission's findings. Meanwhile, the market seems confident of London Brick's own profit generating ability in the expected upturn. The share touched 160 before easing to 159p for a 5.1 per cent yield on the increased dividend.

Over-the-Counter Market

1982-83 High	1982-83 Low	Company	Price	Change	Gross div. (p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord.	135	—	8.4	4.7	7.9	10.3
158	117	Ass. Brit. Ind. CULS	161	—	10.0	6.6	—	—
74	57	Airsprung Group	62	—	6.1	6.8	17.7	17.7
46	30	Armitage & Rhodes	30	—	4.3	14.3	3.3	5.9
315	197	Bardon Hill	315	—	11.4	3.6	13.2	18.7
141	100	CCL 11pc Conv. Pref.	141	—	15.7	11.1	—	—
270	210	Cindico Group	210	—	17.6	8.4	—	—
86	52	Deborah Services	52	—	8.0	11.5	3.4	9.3
97	77	Frank Horsell	97	+1	—	—	8.1	8.7
95½	75½	Frank Horsell Pr Ord 87	95½	+1	8.7	9.1	10.8	11.4
83	61	Frederick Parker	62	—	7.1	11.5	3.9	6.2
56	34	George Blair	34	—	—	—	5.8	12.3
100	74	Ind. Precision Castings	80	+1	7.3	9.1	10.3	13.0
159	100	Isis Conv. Pref.	158	—	15.7	6.9	—	—
143	94	Jackson Group	142	—	7.5	5.3	4.4	9.0
205	111	James Burrough	205	—	9.6	4.7	15.0	16.7
260	148	Robert Jenkins	154	—	20.0	13.0	7.6	24.4
83	54	Scruttons "A"	71	—	5.7	8.0	8.2	11.1
167	112	Torday & Carlisle	114	—	11.4	10.0	5.1	8.7
29	21	Unilock Holdings	25½	—	0.46	1.8	—	—
85	64	Walter Alexander	67	+1	6.4	8.6	4.8	8.9
270	214	W. S. Yeates	263	—	17.1	6.5	4.0	6.4

Prices now available on Prestel page 48146.

BASE LENDING RATES

Bank	Rate
A.B.N. Bank	10½%
Al Baraka International	10 %
Allied Irish Bank	10½%
Amro Bank	10½%
Henry Ansbacher	10 %
Arbuthnot Latham	10½%
Armco Trust Ltd.	10½%
Associates Cap. Corp	11 %
Banco de Bilbao	10½%
Bank Hapoalim BM	10½%
BCCI	10½%
Bank of Ireland	10½%
Bank Leumi (UK) plc	10½%
Bank of Cyprus	10½%
Bank Street Sec. Ltd.	10½%
Banque Belge Ltd.	10½%
Banque du Rhone	11½%
Barclays Bank	10½%
Beneficial Trust Ltd.	11½%
Bremar Holdings Ltd.	11½%
Brit. Bank of Mid. East	10 %
■ Brown Shipley	10½%
Canada Perm't Trust	11 %
Castle Court Trust Ltd.	10½%
Cayzer Ltd.	10½%
Cedar Holdings	11 %
■ Charterhouse Japhet	10½%
Choulartons	11½%
Citibank Savings	¶10 %
Clydesdale Bank	10 %
C. E. Coates	10½%
Comm. Bk. of N. East	10½%
Consolidated Credits	10½%
Co-operative Bank	*10½%
The Cyprus Popular Bk.	10½%
Duncan Lawrie	10½%
E. T. Trust	11 %
Exeter Trust Ltd.	11 %
First Nat. Fin. Corp.	13 %
First Nat. Secs. Ltd.	13 %
Robert Fraser	11½%
Grindlays Bank	‡10 %
■ Guinness Mahon	10 %
■ Hambros Bank	10½%
Heritable & Gen. Trust	10½%
■ Hill Samuel	§10½%
C. Hoare & Co.	†10½%
Hongkong & Shanghai	10 %
Kingsnorth Trust Ltd.	12 %
Knowsley & Co. Ltd.	11 %
Lloyds Bank	10½%
Mallinhall Limited	10 %
Edward Manson & Co.	11½%
Midland Bank	10 %
■ Morgan Grenfell	10½%
National Westminster	10 %
Norwich Gen. Tst.	10½%
P. S. Refson & Co.	10½%
Roxburghe Guarantee	11 %
Royal Trust Co. Canada	10 %
Slavenburg's Bank	10½%
Standard Chartered	‖10½%
Trade Dev. Bank	10½%
Trustee Savings Bank	10½%
TCB	10½%
United Bank of Kuwait	10 %
Volkskas Intl. Ltd.	10½%
Westpac Banking Corp.	10½%
Whiteaway Laidlaw	11 %
Williams & Glyn's	10 %
Wintrust Secs. Ltd.	10½%
Yorkshire Bank	10 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 7.5%. 1-month 7.75%. Short-term £8,000/12-months 10.1%.
† 7-day deposits on sums of: under £10,000 7½%, £10,000 up to £50,000 8¼%, £50,000 and over 9%.
‡ Call deposits £1,000 and over 6¾%.
‖ 21-day deposits over £1,000 8½%.
§ Demand deposits 7¼%.
¶ Mortgage base rate.

UK COMPANY NEWS

Hestair sharply ahead to £1.6m

THE MAJORITY of Hestair's businesses enjoyed e good year in 1982 the directors say on reporting a sharp improvement in pre-tax profits from £1.64m to £2.16m. And the dividend has been lifted.

Second-half profits of this industrial group pulled ahead from £809,000 to £1.24m.

The final net dividend for the year to January 31 1983 has been lifted from 1p to 2p which gives a bigher total of 3.25p against 2p. Earnings per 25p share are given as 10.1p (8.1p) or 5.7p (4.3p) taking into account tax at 52 per cent.

Hestair Dennis, which had a difficult 1982, now has the largest order book in its history, say the directors. With the bopo of some further fall in interest rates and an improving economy they say the ingredients are there for further progress. The majority of the group's businesses expect to improve in 1983.

In consumer products profits rose 67 per cent.

Additionally the directors say the group is looking to increase its strength by "careful acquisition," particularly in the consumer and services side of its business.

Turnover rose from £64.22m to £69.38m. Tax for the year took £311,000 (£161,000) and there were higher extraordinary debits of £96,000 (£14,000). Retained profits rose from £1.1m to £1.16m.

● comment

Six years ago Hestair's pre-tax profits were topping £4m. Since then its business interests have not changed but its markets have—dramatically. Opec countries, formerly taking half specialist vehiclo output stopped buying, farm equipment sales followed the disastrous tractor markets to fall from £1m profit to a £1m loss; and employment agencies, once capable of £2m profit are just recovering with emphasis switched to temps and industrial staff. Even the consumer products, now showing the strongest growth, has looked threatened by the decline in the child population. The farm side, with 80 per cent less workers, hopes to see a pick up next year in the wako of some improvement in the tractor market. Specialist vehicles are recapturing some of their markets, lifting market shares—Dennis has 64 per cent of UK fire engine sale—and establishing new ones overseas in the second line developed countries. Higher local authority spending is belping but margins on buses are punishing. Toys and stationery are being aided by the higher birthrate of three years ago. The outlook overall is therefore of further steady recovery with the company keea to make an acquisiiton on the consumer side but with its shares yesterday at 65p, up 5p, still below the 76p net asset value this is more likely to be for cash, financed from a strong balance sheet. The yield, on the increased dividend, is 7.4 per cent

Ash & Lacy soars 31% to £3.08m and pays 4p more

THE IMPROVEMENT experienced by Ash and Lacy over the first six months of 1982 continued through the second half and enabled the group to return profits of £3.08m pre-tax for the full year, an advance of 31 per cent over 1981's £2.35m.

Earnings per 25p share rose by 11.8p to 53.3p and the dividend is being increased from 14p to 18p by a final of 10p (8p).

Sales improved to £27.07m (£25.24m) and trading profits moved ahead from £2.04m to £2.66m. These were struck after deductions of £1m (£836,000) for depreciation and £172,000 (£169,000) for rent payable and an addition of £65,000 (nil) from rent receivable.

Pre-tax figures were boosted by income from listed investments of £446,000 (£258,000) and interest receivable of £142,000 (£206,000). Interest charges took £168,000 (£156,000).

Tax paid expanded from £661,000 to £898,000.

Interim profits totalled £1.42m (£980,000)—all five divisions of the group, a manufacturer of perforated metal and steel cladding, returned improved results.

CGA pre-tax profits for the full year emerged at £2.31m (£1.66m) and earnings per share came through at 33.9p (24p).

● comment

Despite the lingering recession, Ash and Lacy has taken its year-end profits to over £3m for the first time. This follows a creditable first-half profit performance which was well up on the depressed interim level of 1981. All major divisions steamed ahead, though much of the improvement came from strong advances in the cladding business and from galvanised products, which together account for roughly two thirds of overall trading profit. The company has recently expanded its galvanising operations, both in the domestic market and through indirect exports, which currently include a contract to galvanise material for the new Hong Kong Shanghai Bank. After capital expenditure last year of £1.4m—the bulk of which went on additional plant—net cash still stood at around £2m at the year-end. Some £2.7m is earmarked for further plant acquisitions and modernisation this year. Steel Products has shown strength at the top end of the cladding business and management aims to increase tho workforce in this division by 20 per cent over the next three years. The share gained 8p to 455p yesterday—almost 20 per cent higher than the level of six months ago—and the better than expected dividend hike gives a yield of 5.8 per cent.

Harrison higher in difficult conditions

IN EXTREMELY difficult trading conditions pre-tax profits of Ford main dealer T. C. Harrison edged ahead from £2.88m to £3.01m for 1982. Turnover improved from £72.52m to £81.33m.

The final net dividend has been lifted from 2.18p to 2.38p which raises the total from 3.1p to 3.3p. Net earnings per 25p share are shown as 13.06p (13.03p). A one-for-two scrip is also proposed.

Looking to 1983 Mr Edward Harrison, chairman, says that the car, commercial and agricultural tractor markets are all forecast to be higher than last year. Profits for the first two months are slightly ahead, he says, with car, hire purchase and leasing profits well up, but he reports a fall in commercial and earthmoving.

Ho predicts that 1983 results will be "acceptable" under prevailing conditions.

During 1982 the car division's profits were down which Mr Harrison says was because of high discounting due to an oversupply of new cars plus Ford's reductions in dealers' trading margins. However significant growth in service and car parts earnings resulted in an increase of 54 per cent in commercial profits.

Tho removal of hire purchase controls helped the used vehicle market but higher discounting in tho new car market affected used car margins and there was an overall reduction in used car profits.

Interest costs were lower at £144,000 (£168,000). Tax took £1.04m (£923,000). Dividends absorbed £496,000 (£466,000) which left retained profits at £1.47m (£1.49m).

Further progress by A. Martin

A TURNROUND at the pre-tax level has been shown by Albert Martin Holdings from losses of £282,000 to profits of £867,000 for 1982. This continues the trend shown at halftime when a return to profits was shown. The final dividend has been restored and the directors expect further progress in the future.

The final net dividend of 1.25p gives a total of 2p, which compares with the previous year's nominal payout of 0.1p. Earnings per 20p share were given as 6.32p (loss 6.73p).

Turnover of this clothing manufacturer amounted to £28.88m against £28.56m.

The directors say the group now has a broadly based product range, good factories both in the UK and abroad, and a strong customer base. They point out however that trading conditions show only a slight improvement and margins still reflect this.

Since 1980 a policy of rationalisation has been followed which produced a considerablo turnround in the 1982 result.

Trading conditions were not easier in 1982, say the directors, but UK manufacturing profits improved and increased profits overseas were made on higher turnover. Combined with withdrawal from unprofitable distribution business this helped improve the group result.

Interest came to £852,000 (£903,000). Tax charges took £156,000 (£86,000) and rationalisation costs made extraordinary debits of £53,000 (£353,000). Minorities took £105,000 (£85,000).

LINCROFT KILGOUR

Drayton Consolidated Trust is beneficially interested in 450,000 ordinary shares in Lincroft Kilgour Group, and this figure represents 9.39 per cent of the issued ordinary share capital.

Utd. Ceramic ahead but payout cut

Pre-tax profits of United Ceramic Distributors advanced from £19,639 to £40,829 for 1982 but the dividend total is being cut by 0.5p to 3p per 20p share. Turnover moved ahead from £4.58m to £5.06m.

The results were affected by extremoly cold weathor at the start of the year and by the recession, which was particularly severe in the West Midlands where the main depot is situated.

Intense competition reduced the average selling price of ceramic tiles by some 10 per cent but gross margins were maintained.

Rationalisation of stocks has continued and e further reduction of £178,000 has been achieved. Strict control of operating costs will allow the company, whose shares are traded on the USM, to take profitablo advantage of improved market conditions which are now beginning to appear.

Wm. Low rises £0.7m at mid-term

Scottish supermarket and freezer centre operator, Wm Low & Co raised taxable profits from £1.16m to £1.89m for the 28 weeks to March 19 1983, on turnovor of £68.85m, against £63.16m.

Mr J. P. Rettie, chairman, says the result for the year is likely to be a modest declino in operating profits, but with lower interest charges and higher gains on sales of assets, a pre-tax result similar to last time's £3.34m.

Compared to 1982, the second half has to meet tho substantial opening costs of four branches and the continuing impact of increased rentals will make it virtually impossiblo to equal last year's second half—the seasonal improvement in mix however, should keep the net margin ahead of the first six months.

The net interim dividend per 20p share is raised to 2.5p (2.1p) net, but this is partly to reduce disparity last year's final was 5.9p.

Half-time operating profits were up at £1.7m (£1.48m) before interest charges of £127,243 (£313,983) and a gain on sale of assets this time of £313,690. Tax took £983,362 (£603,824).

William Sindall

Taxable profits of William Sindall, building and civil engineering contractor, advanced from £508,401 to £561,031 for 1982 and the dividend is being increased by 1.5p to 7.5p per 25p share. Turnover slipped to £25.63m (£29.6m). Earnings per share totalled 54.384p (49.465p).

IN BRIEF

AIDCOM INTERNATIONAL — Mr James Pilditch, chairman, told shareholders at the AGM that io the first four months of the current financial year both turnover and profit were in excess of the figures achieved in the corresponding period a year ago. He said that 1983 would be "another year of positive action."

EAST LANCASHIRE PAPER GROUP—Results for 1982 rsported on March 18, 1983. Shareholders' funds £9.64m (£9.85m); fixed assets £6.57m (£6.72m); current assets £15.68m (£17.01m) including debtors £10.01m (£9.96m); net current assets £3.72m (£3.57m). At March 11 Momaith Investment held 16.05 per cent of capital. Meeting: Radcliffe, April 28, at 11.30 am.

COMBEN GROUP (estate developer and house builder)—Results for 1982 reported March 10. Group shareholders' funds £25.83m (£25.12m) Fixed assets £121m (£148m) Net current assets £35.78m (£34.37m). Compensation for loss of office £50,000 (£45,000). Sales to date in UK are higher than in 1982. Directors encouraged by current trading and "increasingly favourable" economic climate. At December 31 1982 Carlton Industries is shown as holding 47 per cent of company's shares. Meeting, Bristol, May 23, 12.30 pm.

Anglo American Investment Trust Limited

(Incorporated in the Republic of South Africa)

Preliminary Profit Announcement and Balance Sheet and Notice of Final Dividend on the Ordinary Shares

Subject to final eudit, the income statement for the year ended March 31 1983 and the balance sheet et that date, ere as follows:

Income Statement

	Company and associated company 1983 R000	1982 R000
Income from associated company	112 430	165 032
Dividends	36 693	48 572
Share of retained profits	75 737	116 460
Income from investments	23 066	22 172
Interest earned	1 545	1 597
	137 041	188 801
Administration and other expenses	899	1 173
	136 142	187 628
Taxation	694	651
Profit after taxation	135 448	186 977
Preference dividends	300	300
Profit ettributable to ordinery shareholders before extraordinary item	135 148	186 677
Extraordinary item:		
Share of associated company's extraordinary loss	4 024	—
	131 124	186 677
Ordinary dividends:		
Interim No. 85 of 150 cents per share	15 000	26 000
Final No. 86 of 440 cents per share	44 000	44 000
	59 000	70 000
Retained profit	72 124	116 677
Appropriation to non-distributable reserve	71 713	116 460
	411	217
Unappropriated profit, March 31 1982	4 498	4 281
Unappropriated profit, March 31 1983	4 909	4 498
Earnings per ordinary share:		
Excluding share of retained profit of associated company—cents	594	702
Including share of retained profit of associated company—cents	1 351	1 867
Dividends per ordinary share—cents	590	700

Balance Sheet

	Company and associated company 1983 R000	1982 R000
Capital	10 000	10 000
Non-distributable reserve	438 865	367 152
Distributable reserves	79 709	79 298
	528 574	456 450
Represented by:		
Interest in associated compeny — Listed—Merket value R851 394 000 (1982: R510 001 000)	515 294	436 890
Investments — Unlisted—Directors' valuetion R78 923 000 (1982: R77 666 000)	11 656	11 656
Loan portion of taxation	107	116
	527 057	448 662
Current assets		
Debtors	44 224	41 759
Holding company: Loans fixed and et call—Anglo American Corporation of South Africa Limited	1 403	10 659
Cash et bank	10	27
	45 637	52 445
Current liabilities		
Shareholders for dividend	44 000	44 000
Creditors	120	657
	44 120	44 657
Net current assets	1 517	7 788
	528 574	456 450
Number of ordinary shares in issue	10 000 000	10 000 000
Net esset value per share—cents	9 269	5 906

Notes:

1. The company's share of the retained profit, net of extraordinary loss, of its only associated company, De Beers Consolidated Mines Limited, is transferred to non-distributable reserve.
2. It is expected thet the forty-seventh annual report of the company in respect of the year ended March 1982 will be despatched to members on or about April 29 1983.

Final Dividend

On April 14 1983 final dividend (No. 86) of 440 cents per ordinary share (1982: 440 cents), for the year anded March 31 1983, was declered payable on June 10 1983 to shareholders registered in the books of the company et the close of business on Mey 6 1983. This dividend, together with the interim dividend of 150 cents per share declared on October 7 1982, makes e total of 590 cents per share for the year ended March 31 1983 (1982: 700 cents).

The ordinary share transfer registers and registers of members will be closed from May 7 to 27 1983, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about June 9 1983. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on May 9 1983 of the rand value of their dividends (less appropriate taxes). Any such shareholders may, however, elect to be paid in South African currency provided that eny such request is received at the offices of the company's transfer secretaries on or before May 6 1983.

The effective rate of non-resident shareholders' tax is 14.8891 per cent.

The dividend is payable subject to conditions which can be inspected at the head end London offices of the company and elso et the offices of the company's transfer secretaries, Consolidated Shere Registrars Limited, 1st Floor, Edura, 40 Commissioner Street, Johannesburg 2001 (P.O. Box 61051 Mershelltown 2107) and Charter Consolidated P.L.C., P.O. Box 102, Charter House, Perk Street, Ashford, Kent TN24 8EQ.

By order of the Board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
per: D. M. Davidson
Divisional Secretary

London Office:
40 Holborn Viaduct
London EC1P 1AJ

Head Office:
44 Main Street
Johannesburg 2001

April 15 1983

London and Manchester Group plc

Extracts from the statement by the Chairman, Mr H L K-Browne, F.C.A., on the Group Report and Accounts for 1982

In the light of the economic conditions prevailing during 1982, the results for the period reflect a very encouraging all-round performance with the benefits of diversification now becoming apparent. I wish to express to the management and all members of the staff my appreciation of their support during a difficult trading period.

Board

In June last year Mr. Kevin McBrien, a director and general manager, resigned to take up a senior appointment with another insurance office. I would like to acknowledge the contribution he made to Company progress, particularly in the marketing area, and to wish him well in his new position. Mr. Denys Oppé retires at the Annual General Meeting having reached the age of 70. Mr. Oppé has been a director since 1962 and I take the opportunity of expressing the Board's warm appreciation of his wide experience and helpful advice during the past 21 years.

Since the end of tho year Mr. John Thomson has been appointed e Deputy Chairman in addition to Lord Wakehurst.

Management

Following Mr. McBrien's resignation, the opportunity was taken to restructure the management team. I am happy to report that all senior appointments were made from within the Group and the satisfactory results before you are due in no small measure to the way in which the young end enthusiastic management team has adapted to its new responsibilities.

Profit Sharing and Share Option Schemes

These two schemes, which were approved by shareholders at an Extraordinary General Meeting in October, have now been introduced. It is the hope of your Board that employees will be encouraged thereby to own shares in the Company so that they may have en enhanced personal interest in ensuring its continued success end profitability end en added incentive to pursue a long-term career with the Group.

Life Broker Division

Following the implementation of the Group's new strategy involving resignation from the Life Offices' Association at the beginning of 1982, this division hes mede very good progress, total new ennual premiums showing e 62 per cent increase to £2.8m. In addition, single premiums of over £11.5m were received.

The new unit-linked products to which I made reference last year, and in particular 'Link 10', e 10-year open-ended savings plan for the middle range reguler saver, have been well received. A recently introduced pension plan for the self-employed, 'Peace end Quiet', has elready achieved sales substantially ahead of target.

Pensions Division

The division had another very successful year in 1982. The emphasis was on group pensions business where new annual premiums moved against the industry trend to show en increase of 28 per cent over the previous year. Total gross ennual premiums were similar to those of 1981 at just over £3.0m end reflect the planned reduction of group life business in the light of the eggressive undercutting of rates by several life offices in this market. Single premiums were nearly three times higher than tho previous year at £6.0m, with 'Transplen' making the major contribution. The considerable national press coverage of this new contract, designed to help the early leaver improve his paid up pension, increased the Group's reputation within its chosen market.

The edvanced computerised administration system to which I referred in last year's report has now been fully implemented end enebles the division to provide its clients end intermediaries with the first class service which is so essentiel to success.

During the course of the year the preparatory work was completed to establish e menaged fund contract which will be launched in June thie year. This will provide trustees with en edditional tax-exempt investment vehicle for part or the whole of their pension fund assets end will increase the range of contracts on offer.

Home Service Division

The home service division is the eree that has been most affected by the current economic climate but it continues to be the Group's principal marketing operation.

New business in the ordinary end industriel branches, where increases of 13 per cent end 6 per cent respectively were recorded, was at en encouraging level. In common with the rest of the industry the retention of existing business remained a problem, but the division nonetheless achieved e premium income growth of 10.2 per cent in the ordinary branch and 7.3 per cent in the industrial branch which in all the circumstances was a very creditable performance.

Considerable efforts heve been made to contain end gradually reduce operating costs despite continuing inflation. These efforts are now showing positive results in that the expense ratio for this labour intensive area of business has been further reduced end the indications are that more progress will be made during the current year.

General Branch

Gross premium income increased by 6.5 per cent to £6.4m. The year 1982 proved to be e difficult one in the industry for general branch business. The exceptionelly herd winter of 1981/82 resulted in a sharp increase in the incidence of claims received in the first quarter of 1982 in both the household and tho motor sections. Additionally, in the face of increasing competition in tho industry, there has been little opportunity to revise premium rates.

The general branch premium incomo is derived mainly from the home service erea and without an early recovery in the country's economy it may be difficult to achieve significant expansion in the general branch portfolio in 1983. Claims loss ratios on the four main accounts continue to compare favourably with published industry figures. A loss of £423,000 after tax has been transferred to the profit end loss eccount.

Investments

The most important feature of the UK economy during 1982 was the continuing fall in the rate of inflation, accompanied by strength in both gilt and equity markets. Towards the end of the year, and more noticeably in the early months of 1983, the first signs of the long-awaited economic recovery began to appear. However, there was e further rise in unemployment and e continued fall in the value of the pound.

Against this economic background gilts have again figured prominently in the allocation of new money and £14.8m has been invested in this sector by the main life funds. There has been e reduction in other fixed interest securities and in mortgages. £15.5m has been invested in UK equities and £6.5m overseas, elmost entirely in the United States where faith in an imminent rise in the market has been fully vindicated. The UK property market continues to be somewhat depressed and this has provided the opportunity to invest a further £6.5m on favourable terms, mainly in good quality shop and industrial premises.

For many years there has been a particular emphasis on investment trust shares and with total holdings exceeding £140m this sector continues to feature prominently in the portfolio. The Group has benefited from the moves made by a number of management groups to re-organise the trusts under their control. Two trusts in which there were significant holdings, United States & General and Cedar, were unitised during the year. More recently plans have been announced to unitise Broadstone and Dominion & General, two other trusts in which substantial interests are held.

I referred earlier to e reduction in the investment in mortgages. At a time when interest rates remain very volatile it is impossible to structure a fixed rate mortgage contract which is satisfactory to both borrower and lender. Accordingly, your Board has decided that future mortgage lending will be on a variable rate basis, financed by external borrowing. An offer to transfer to this basis has already been made to a substantial number of existing borrowers end e very satisfactory response has been received.

Reference is made elsewhere to the success achieved by the life broker division in marketing linked life assurance. It is appropriate to acknowledge the contribution made to this success by the marked improvement in the investment performance of the linked funds during the past year.

Bonuses

In the ordinary branch e reversionery bonus of £5.50 per cent of the sum assured has been declared compared with £5.25 per cent in the previous year. Industriel branch reversionary bonuses have also been improved.

The rise in merket values of assets over the year has also resulted in substantially higher terminal bonuses and this is reflected in increased transfers from investments revaluation reserve, £2.4m to the ordinary life fund end £1.9m to the industriel life fund, totalling £4.3m, compared with £2.9m in the previous year.

The appreciation in market values is largely e result of lower interest rates. As en outcome of falling inflation this reduction is to be welcomed, but if it persists the meintenance of the complete bonuses at their current levels is called into question. Provided there is a continued reduction in the rate of inflation, however, lower bonuses would not necessarily reduce the return to policyholders in real terms.

The complete bonus system, under which the terminel bonuses paid on with-profits policies ere directly related to the investment appreciation which has occurred over the duration of those contracts, has served policyholders end shareholders well since its introduction in 1969. No basis of distributing profits should remain unchanged indefinitely without periodic review and your Board acting on the advice of the Group Actuary is currently reviewing the operation of the complete bonus system to determine whether it still meets the needs of policyholders and shareholders in the current economic climate.

Profit and Loss Account

Transfers from the life funds on the usual basis provided £1,264,000 from the ordinary branch end £1,398,000 from the industrial branch. The sum of £700,000 has been transferred from the investment trust retirement ennuity fund. Investment income has increased from £965,000 to £1,056,000. After setting off the general branch loss of £423,000 and the expenses of management and taxation, there remeins e balence of profit for the period of £3,610,000.

Your directors have decided to recommend the payment of a final dividend of 9.31p per share. This, together with the interim dividend of 4.34p per share paid in November 1982, makes e total of 13.65p per share (1981 11.9p per share). After providing for these dividends, the balence carried forward has been increased by £480,000.

The Future

Earlier in my statement I referred to e welcome indication of reduced levels of expenses, elbeit of e modest dimension. The need to bring expenses of management down to a more acceptable level remains a matter of high priority end e continuing programme of rationalisation will be pursued to this end. The primary objective must remain the provision of good returns to policyholders to enhance still further the Group's position in the merket. This will secure an expanding customer base for its products end safeguard the profitability of the Group and the long term job prospects for employees.

The management has welcomed the staff union initiative to negotiate a redundancy agreement. While it is not anticipated that as a result of rationalisation there ere likely to be redundencies on any substantial scale end while every effort will be made to deal with such matters through normal staff turnover and redeployment within the Group, it is regretted that e limited number of redundencies must necessarily occur. It is the aim of your Board to keep redundencies to a minimum without being deflected from the mein objective which provides the best guarantee of employment within the Group.

Since the end of the year, the life broker end pensions divisions have continued to press ahead with their expansion and the early returns from the home service division disclose that it is making a good start to the new year. With the first signs of more optimistic economic forecasts appearing, I am confident that the Group is in a position to take full advantage of eny upturn in the economy and present an encouraging eccount to shareholders at the end of 1983.

The Annual General Meeting will be held on 6 May 1983. Copies of the Report, which includes the full text of the Chairman's Statement may be obtained from the Joint Secretary at Imperial House, Dominion Street, London EC2M 2SP.

UK COMPANY NEWS

Portals nears £15m year-end

RECORD SALES, exports and pre-tax profits were achieved by Portals Holdings for 1982 and the group, a liquid and water treatment engineer, security paper maker and property owner, is stepping up its dividend from 14p to 15.5p per 25p share by a final of 9.75p.

Turnover expanded by 9 per cent to £156.96m (£143.43m) and profits by 11 per cent to £14.79m (£13.32m)—1981's figures have been restated.

Mr Julian Sheffield, the chairman, says the group will progress in 1983 but some genuine world recovery would give a "still better reward."

Attributable profits dropped from £11.77m to £7.58m. These were struck after paying a much larger tax bill of £6.48m (£1.19m), minorities of £34,000 (£1,000) and taking account of an extraordinary loss of £754,000 (£359,000)—1981's tax charge benefited by exceptional transfers from deferred tax of £4.52m.

Earnings per share emerged at 46p (67.05p) basic and at 42.23p (60.92p) fully diluted. Net asset value per share amounted to 385p (350p).

A divisional breakdown of turnover and pre-tax profits shows: papermaking £48.18m (£39.99m) and £7.69m (£7.58m), water treatment and engineering £112.48m (£105.89m) and £5.67m (£5.39m) and property £2.59m (£2.21m) and £1.02m (£940,000). Interest received added £1.49m (£322,000) and unallocated costs took £1.08m (£916,000).

A further £10m modernisation project has begun at Overton Mill, with the expenditure spread over three years.

● comment

With a large part of its 1981 rights issue funds still unspent Portals was able to show a sharp jump in interest received which hid the slim advance in trading profits. Even so the figures were well up to market expectations and shares yesterday rose 15p to 580p, near their all time high. On the trading side, however, the company achieved a creditable performance in tough conditions. The pressure on margins in paper making was reflected in a 2.2 percentage points decline to 16.6 per cent. The extraordinary costs reflect the action taken in engineering to stem losses but this activity has never been a significant contributor. So far in the current year there are no signs of firmer markets save for engineering. The search for acquisitions in the U.S. should, when successful, help reduce the water treatment division's dependence on major UK contracts with the UK steel and electricity industries and Opec countries. Currently exports and overseas sales account for 65 per cent of turnover but weak sterling will have a neutral effect because of the need to purchase imported pulp for the papermaking side. With the benefits of the new American mill not likely until 1984 the current year looks like further undramatic growth to £16m pre-tax with a dividend increase at least in line with inflation. This puts the prospective p/e near 13.

Brown Boveri Kent resumes dividends as profits soar

THE RE-STRUCTURING of the UK operation at Brown Boveri Kent (Holdings) over the last two years, and the divestment programme of 1981 have made the intended impact on financial performance during 1982.

Pre-tax profits of this industrial instrument manufacturer soared from £262,000 to £4.43m from turnover little changed at £102.88m compared with £102.54m, which included £13.24m from discontinued business.

A dividend of 1p net is being paid—the first payment since the 1.2p final for 1979.

The pre-tax figure was after depreciation slightly higher at £2.61m (£2.57m) and interest charges of £2.66m (£3.38m). After tax of £2.11m against £2.2m, minorities of £147,000 (£351,000), extraordinary credits of £302,000 (£1.08m), available profits emerged at £2.48m against losses of £1.21m.

Stated earnings per 25p share were 4p (losses 4.2p).

The directors say there was an exchange translation surplus of £632,000 (£962,000) arising on the re-translation of the opening balance sheets of overseas subsidiaries, and this has been credited to reserves.

Mr E. Bielinski, the chairman, says the weakening of sterling against major currencies should enhance order entry prospects, but the markets served by the group remain generally depressed with no real signs of recovery in the immediate future.

However, he adds, the steps taken over the past years place it in a better position to take advantage of business opportunities and to steadily improve its financial performance.

Brown Boveri Kent employs around 3,100 people in the UK, with a further 1,550 in overseas manufacturing and sales outlets.

	1982 £000	1981 £000
TURNOVER:		
Continuing bus.	102,884	89,298
Discontinued bus.	—	13,239
	102,884	102,537
Operating surplus	9,698	6,209
Depreciation	2,611	2,585
Interest	2,659	3,382
Pre-tax profit	4,428	262
Tax	2,107	2,198
Profit after tax	2,321	†1,936
Minorities	147	351
Extraord. credits	302	1,072
Net profit for BBK (Holdings)	2,476	†1,210
Dividends	543	—
Balance taken to res.	1,933	†1,210

†Loss

● comment

The improvement in BBK's profitability came primarily as a result of an upsurge in sales in the last quarter of the year which was given further momentum by the fall in the pound. But in the first three months of 1983, the management reports no underlying improvement in its major overseas markets, the steel industry and the chemical and petro-chemical industry in Western Europe, Australia and South Africa. Investment in UK public utilities has also remained low. BBK is waiting for the upturn in consumer spending to lead to more capital investment in the sectors it supplies. In the meantime, it is reaping the benefits of a large-scale rationalisation programme and switch from the production of electro-mechanical to electronic instruments. At the Luton factory and headquarters, the workforce has been reduced from 1,700 in 1979 to 500 today. Of these only 60 are employed on electro-mechanical instrument production while 130 are engaged in electronics. The, as yet, unpublished CCA figures show a pre-tax profit of £1.3m after two years of losses, a consequence of the high level of stocks maintained which necessitated a large cost-of-sales adjustment. The share price yesterday rose 9p to 71p, 19.2 times the fully-taxed earnings for 1982.

Martonair little changed

While turnover of Martonair International, maker of pneumatic control equipment, showed a modest increase from £18.55m to £20.01m, pre-tax profits for the six months to January 31 1983 were little changed at £1.83m, against £1.81m.

The interim dividend is maintained at 1.95p net per 20p share.

The first-half tax charge was higher at £866,000, against £821,000, leaving the net balance lower at £959,000, compared with £991,000. After ordinary and preference dividends, again absorbing £258,000, the retained surplus came out £32,000 lower at £701,000.

RESULTS AND ACCOUNTS IN BRIEF

CASS GROUP (USM company)—Dividend 2.5p for 1982. Turnover £5.73m (£4.99m), pre-tax profit £916,000 (£786,000) being electronics £720,000 (£592,000) and leisure £196,000 (£174,000). Tax £480,000 (£359,000). Earnings per 10p share 8p. Dividend waiver of £83,000. Company's balance sheet remains strong with over £1m in cash and no borrowings.

GENERAL INVESTORS AND TRUSTEES—Final dividend 2.4p (2.05p adjusted), making 3.65p (3.3p adjusted) for year to January 31 1983. Total revenue £2.84m (£2.87m). Net revenue £1.23m (same) after management expenses and interest of £985,693 (£980,756) and tax of £727,550 (£748,891). Earnings per 25p share 3.84p (3.94p adjusted). Valuation of investments £46.31m (£38.6m). Net asset value per share 144.2p (121.7p adjusted) prior charges at par and 145.7p (123.6p adjusted) prior charges at market value.

HOUSE PROPERTY COMPANY OF LONDON—Pre-tax revenue for 1982, £111,000 (£177,000); property sale surplus £77,00 (£196,000); other net revenue £35,00 (deficit £18,000); tax £33,000 (£47,000). Final dividend 4.5p (same) for unchanged total of 6p net; earnings per 50p share 7.8p (12.97p). Directors carried out a valuation of group's freehold properties as at December 31, 1982 at an open-market value. The amount of £1.01m exceeds the book value by £822,496, and the surplus is taken to revaluation reserves.

DOWDING & MILLS (electrical and mechanical engineer)—Interim dividend 0.86p (0.78p) net for six months ended December 31, 1982. Sales £8.29m (£8.23m). Pre-tax profit £989,000 (£792,000). Tax £375,000 (£380,000).

LAND INVESTORS—Pre-tax profits for six months to September 28, 1982, £1.51m (£1.5m); interim dividend 0.2p (same).

PETERS STORES (leisurewear retailer)—Pre-tax profits £147,000 (£16,000) for 28 weeks to December 25, 1982. Interim dividend 1p net (nil). Net retail sales £5.66m (£5.94m), trading profits £363,000 (£78,000), surplus on property sales £161,000 (£98,000), interest charge £377,000 (£160,000), tax £3,000 (£13,000), dividends £32,000 (nil), retained £112,000 (£3,000): Earnings per 10p share 4.5p (0.1p). Directors have waived their right to a dividend on 1,337,632 shares.

EDINBURGH INVESTMENT TRUST/SCOTTISH UNITED INVESTORS—Respectively, net asset value of the companies as at the close of business on April 12 1983 calculated in each case on a consistent basis and after deducting the expenses of the merger and prior charges at par, amounted to 109.11p and 91.17p per share. The values before deduction of expenses amounted to 109.77p and 91.71p respectively.

BANRO INDUSTRIES (framed windows and sunroofs, motor car body components)—Results for 1982 and prospects already known. Shareholders' funds £6.3m (£6.16m). Fixed assets £4.45m (£5.13m). Net current assets £1.75m (same). Meeting: Sutton Coldfield, May 5, noon.

CEMENT-ROADSTONE HOLDINGS (Dublin-based cement, asbestos maker)—Results for 1982 reported March 15 with chairman's remarks on prospects. Fixed assets £296.89m (£259.61m). Current assets £136.96m (£129.88m), current liabilities £97.17m (£83.66m). Shareholders' funds £210.69m (£212.86m). Decrease in working capital £3.09m (£2.23m increase). Meeting: Dublin, May 10.

HORIZON TRAVEL—Results for the year to November 30 1982 reported March 18. Group shareholders' funds £27.97m (£19.8m). Fixed assets £50.11m (£32.74m). Current assets £20.89m (£21.06m), including debtors and prepayments £3.81m (£2.89m) and bank balances and cash £1.38m (£2.08m); current liabilities £21.22m (£15.06m), including creditors and accrued expenses £10.53m (£7.78m). Decrease in working capital £4.01m (£7.36m increase). Capital commitments £82.47m (£12.42m). Chairman believes the group will continue its consistent improvement of its position in the market. Meeting: Birmingham, May 12, 2.30 pm.

AI INDUSTRIAL PRODUCTS (manufacturer of electrical insulators and other ceramic products, castings and forgings)—Results for 1982 reported on March 28. Shareholders' funds £6.21m (£6.2m); fixed assets £5.51m (£5.26m); net current assets £2.02m (£2.47m); decrease in net borrowings £636,000 (£672,000). Chairman says present outlook can hardly be regarded as encouraging although benefits continue from cost reduction exercises. Order books and sales are only at a similar level as a year ago. Auditors point out that present banking facilities run to May 31 and the financial statements have assumed adequate facilities will be available after that date. Meeting: Stoke-on-Trent, April 29 at 10.30 am.

CHURCH & COMPANY (footwear maker)—Results for 1982 reported March 24. Group fixed assets £7.14m (£6.75m). Net current assets £11.06m (£10.2m). Shareholders' funds £17.48m (£16.09m). Net liquid funds decreased by £846,000 (£108,00 increase). Chairman says he expects 1983 to show increased profits provided that retailing trading continues to show satisfactory increases. Meeting, Northampton, May 5, noon.

INVERGORDON DISTILLERS (HOLDINGS)—Results for 1982 reported March 11. Group shareholders' funds £32.4m (£30.11m). Net current assets £18.92m (£16.49m). Decrease in net borrowings £2.17m (£341,000 increase). New chairman Mr Charles Craig forecasts a similar overall results in the current year to that of 1982. Group's ultimate holding company is the Hawker Siddeley Group. Meeting: Glasgow, May 24, 12.30 pm.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Adwest, Kwik Save Discount, Linread, Lowland Investment, Ulster Television.

Finals:—Arrow Chemicals, Automotive Products, Blackwood Hodge, Dewhurst Dent, Walter Duncan and Goodricke, Hunting Petroleum Services, S. Jerome, Leyland Paint and Wallpaper, F. Miller (Textiles), Midland Industries, Scottish Television.

FUTURE DATES

Interims:—

Gleeson (M. J.)	May 13
Lyles (S.)	Apr. 25
NSS Newsagents	May 18
Northern Foods	Jun. 22
Safeguard Industrial Invest.	Apr. 26
Wade Potteries	Apr. 20

Finals:—

Bodycote International	Apr. 25
EIS Group	Apr. 20
First Charlotte Assets Trust	Apr. 19
Gaskell Broadloom	Apr. 22
Grampian Television	Apr. 21
Haden	Apr. 20
Honda Motor	Apr. 18
Lilleshall	Apr. 27
London and Continental Advert.	Apr. 18
Renown Inc.	Apr. 25
Scottish Northern Invest. Trust	Apr. 22
600 Group	Jun. 9
Smallshaw (R.) (Knitwear)	Apr. 21
Thomson T-Line Caravans	Apr. 27
United Parcels	Apr. 20
Wadkin	Apr. 20

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Ash & Lacy	10	June 1	8	18	14
Beauford Group	2.1	—	1.4	3.5	2.1
Benford Concrete	2.61	May 27	2.15	3.48	3.03
Brown Boveri Kent	1	July 1	Nil	1	Nil
Cass Group‡	2.5	—	—	2.5	—
Dowding & Mills ... int.	0.86	—	0.78	—	1.87
General Investors	2.4	May 27	2.05*	3.65	3.3*
Green's Economiser	Nil	—	2.88	2.88	5.75
T. C. Harrison	2.38	July 2	2.18	3.3	3.1
Hestair	2	—	1	3.25	2
House Property	4.5	May 25	4.5	6	6
M. P. Kent ... int.	0.36	May 27	0.36	—	1.26
Land Investors ... int.	0.2	May 23	0.2	—	1
Jee Refrigeration	2.75	May 21	5.25	5.5	8
London Brick	3.55	July 2	3.16	5.5	5.89
Wm. Low ... §int.	2.5	May 31	2.1	—	8
Albert Martin	1.25	—	Nil	2	0.1
Martonair Intl. ... int.	1.95	May 13	1.95	—	8
Morgan Crucible	4	July 15	4	7.5	7.5
Newarthill	9	July 2	8	9	8
Peters Stores ... int.	1	June 6	Nil	—	0.5
Portals	9.75	July 1	8.75	15.5	14
Austin Reed	3.5	July 1	2.46	4.5	3.36
RTZ	10.5	July 1	10.5	16	16
Wm. Sindall	7.5	July 7	6	7.5	6
Taylor Woodrow	14	July 1	13.16	19.5	16.31
United Ceramic‡	2.5	May 27	2.5	3	3.5

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock. § Partly to reduce disparity.

UK COMPANY NEWS

BIDS AND DEALS

Britannic Assurance life funds £62m ahead

TOTAL LIFE funds of Britannic Assurance increased by £62m last year to £611m, with the industrial branch fund climbing £42m to £409m and the ordinary branch by £20m to £202m.

Premium income on life funds rose by 7.8 per cent in 1982 from £95.3m to £103.8m, passing the £100m mark. Investment income climbed from £61.8m to £71.5m.

The company managed to reduce the expense ratio in the industrial branch from 42.1 per cent to 41.2 per cent on premium income up by 7.1 per cent. But the ratio continued to rise in the ordinary branch from 28.9 per cent to 29.1 per cent on a 10.1 per cent premium income growth.

Mr R. J. G. Williams in his chairman's statement regarded the overall premium growth as satisfactory, in view of the restrictions on growth caused by further higher levels of surrenders in both branches. The company was very conscious that policyholders who fell on hard times and had to claim supplementary benefit had first been required to surrender some or all of their life policies. He welcomed the Government's proposing some easement of this harsh rule, even though it will not apply until later this year.

During 1982, the company invested £28.5m of its new money in gilts and a further £2.6m in other fixed-interest securities. A further £13m was invested in equities, slightly more than in the previous year. House purchase loans rose by £3.1m, but only £1.9m was invested in property. However, a number of property acquisitions have been authorised for this year.

As already reported, surplus for the year increased marginally from £3.59m to £3.82m with higher transfers from life profits being held back by a loss on general insurance business. The dividend has been lifted by 15 per cent.

Hewden-Stuart

Hewden-Stuart Plant is paying a total dividend for the year to January 31 1983 of 1.28p. This is a maintained payment not a reduction as indicated in part of yesterday's report.

Profits advance at Newarthill

Current cost pre-tax profits of Newarthill, the construction, property and investment and aircraft chartering group, increased from £10.96m to £15.49m for the year to October 31, 1982. At halfway, CCA taxable figures were ahead from £8.64m to £10.93m.

Turnover for the year rose by £15m to £265m. Current cost operating surplus improved from £7.97m to £11.37m, made up of trading activities £9.83m (£4.79m) and exempt and associated companies £1.54m (£3.18m).

Net investment income climbed from £2.99m to £4.11m. The tax charge was £7.52m (£6.25m) and extraordinary credits decreased from £5.96m to £1.37m, making a net attributable surplus of £9.34m, against £10.67m.

Stated CCA earnings per £1 share advanced from 26.7p to 46.1p. The dividend is stepped up from 8p to 9p net.

Historical figures show pre-tax profits of £17.94m (£15.94m) and earnings per share of 60.8p (56.7p).

● comment

Newarthill remains as secretive as ever but this has done its share price no harm. Helped by a tight market in the shares the price has risen steadily since the setback of 1974-75 and yesterday, though finishing 20p down from a record, at 690p they still stood 30p above the 1982 peak. With no full breakdown of the figures available until the annual report is published it is not clear what was the major factor in the strong advance in trading. However a declining inflation rate should have helped the current cost investment income stripped out investment income stripped out the historic profits advance comes down to a less sparkling 6.8 per cent on a 6 per cent rise in turnover. Nevertheless in view of the strength of the balance sheet investors will not grumble at a little secrecy while shares show continued firm growth, even if a consistent 1p increase in dividend has left the yield below 2 per cent.

London and Midland buys Banbury Homes for £3m

London and Midland Industrials, engineering, industrial services and consumer products group, has acquired the loss-making Banbury Homes and Gardens from a subsidiary of London Brick in a deal worth £3m.

London and Midland said that the acquisition represented "a major step forward" as Banbury "is engaged in a business similar to that of Compton Buildings which is one of the principal subsidiaries of London and Midland."

For the year to December 31 1982 Banbury had net assets of £3m after deduction of total borrowings of £0.9m. The consideration is being paid by the issue of 2.68m ordinary shares in London and Midland which are being placed by Morgan Grenfell and Co. to realise £3m in cash.

Accounts for Banbury will be prepared for the period to April 13 and if they show that losses have been incurred by Banbury since January 1983, London Brick will make a purchase price rebate equal to the net losses.

Banbury, which has been trading unprofitably in recent years, incurred a trading loss of £250,000 in 1982 on sales of £13.5m. Banbury manufacture concrete garages, greenhouses, sheds and Larchlap wooden panel fencing.

London Brick has introduced cost savings methods at Banbury, and London & Midland intends "rapidly to reorganise and improve the performance of Banbury in order that its margins and returns will approach those consistently achieved at Compton."

ATTWOODS

Attwoods has reached conditional agreement with a substantial majority of shareholders to acquire E. F. Phillips and Sons and an associated company, E. F. Phillips and Sons (Transport) for £1.56m and £40,000 respectively to be satisfied by the issue of shares and cash.

Phillips is principally engaged in sand and gravel extraction and waste disposal in Dorset and Hampshire. The assets of the company include two operating landfill sites.

AMEC hit by contract losses

AMEC, the civil engineering and construction company formed out of a merger of Fairclough Construction Group and William Press Group, yesterday revealed that total operating losses to completion of two contracts carried out by a subsidiary of Press will amount to about £8.5m.

The latest projection includes £2.1m previously provided, based on the AMEC accounting principles which do not anticipate future claims and recoveries. AMEC believes that further related rationalisation and reorganisation provisions may be necessary which could amount to £4m before taxation.

Detailing the background to the latest upset AMEC said yesterday that the interim results announced on October 28 last year by Press for the six months to June 30, 1982 included provision for known and future losses amounting to £2.1m in respect of the wholly-owned subsidiary Haverton Hill Fabrications.

"At the end of January, 1983, the board of AMEC was informed by the directors of Press that further substantial losses had arisen at Haverton Hill," said AMEC. "Press immediately commissioned an independent review by a firm of chartered quantity surveyors together with internal reviews of the two contracts giving rise to the losses.

"Management changes at Haverton Hill have been made. Furthermore the board of AMEC instructed Price Waterhouse to conduct an independent review of the contracts and their report has been received."

AMEC said that the audit of the results for Press for 1982 was not as advanced as that of Fairclough but present indications were that the Press Group had traded profitably during that period after providing for the operating loss of £6.5m approximately at Haverton Hill.

AMEC said that the acquisition of Press at the end of last year would be treated as being effective on December 31 and would be treated as a merger between AMEC and Fairclough and the acquisition by AMEC of Press for accounting purposes.

The audit of the results of Fairclough for the year ended December 31, 1982 is almost complete and it is expected that the audited results will show pre-tax profits in excess of £17.5m, compared with £13.45m a year earlier. Using the adopted reporting basis the profit before taxation of AMEC will be identical to that of Fairclough.

A special interim dividend of 6.5p per share net will be paid in August by AMEC. "The anticipated trading performance for 1983 should enable a total dividend of at least 9p per share to be paid in respect of the whole of that year."

AMEC said that its order book was at a satisfactory level. "Fairclough has been less affected by the recession than Press who, in 1982, was affected in the offshore and process engineering sectors. Nonetheless, throughout the group there is every confidence of obtaining substantial new work at satisfactory prices."

The group added that its liquidity is strong "with a substantial net cash position and substantial facilities available to support the growth of the business as opportunities occur."

More 'misgivings' over Crest bid

A case committee of the National Association of Pension Funds formed to consider the terms of the proposed acquisition of Crest International Securities by Kwik-Fit (Tyres & Exhausts) Holdings said yesterday that it continued to have "misgivings" about information published in the latest offer document.

The committee comprises representatives of the Post Office Staff Superannuation Fund, Imperial Group Pension Fund and N. M. Rothschild Asset Management. Other major institutions who have made their displeasure known about the £4m-plus bid for the property development group Crest International include funds controlled by Ivory & Sime and Baring Brothers.

The case committee said yesterday that it continued to have misgivings about information published in the last offer document of April 5.

"In particular, the committee is concerned about the lack of a full independent valuation on behalf of Kwik-Fit of the Crest properties and the absence of a pro-forma balance sheet.

Home Video makes £0.85m doubtful debts provision

BY CHARLES BATCHELOR

Home Video Holdings, where Mr Jack Gill, former managing director of Associated Communications Corporation recently took control, yesterday revealed a loss in the year ended June 30, 1982 instead of the £371,000 profit announced last October.

Home Video said that further investigation by its accountants, Peat, Marwick, Mitchell, of a number of doubtful deals first discovered in January had led to the company making a provision for £850,000-worth of doubtful contracts and debts.

The company also expects to make a loss in the current year though this will not be significantly larger than the unaudited £1.72m reported in the first half ended December 31.

Home Video has now shut two of its three offices and halved its staff to 20 and expects to return to profit in the year ending June 30 1984, Mr Gill said.

The cash flow difficulties created by these provisions have meant it is having to raise additional equity capital. Regal Crown, a private company with a substantial stake in Home Video, will provide £180,000 by paying an additional 9p for each of its existing shares.

This and renegotiated bank facilities will provide enough capital for its short-term requirements but up to £300,000 more must also be raised.

In a letter to shareholders, Mr Gill said the company needed this money to acquire new film titles for distribution and to reduce its bank overdraft.

Hill Woolgar, the licenced dealer which placed Home Video's shares in September 1981, has put Mr John Wild, a main board director, on the Home Video board and resumed its role as adviser to the company.

Hill Woolgar resigned from this position during recent merger talks, in which it also represented the other side. It will resume matching bargains in the company's shares, suspended at 60p last October, on April 18.

Home Video's unaudited first-half 1982-83 loss comprises the provision for the previous year's doubtful debts, a £185,000 provision for discontinued activities, mainly its big screen distribution venture, and £890,000 to cover excessive overheads and losses from a reduction in the number of video releases.

Caparo chief seeks talks with Barton

Mr Swraj Paul, chairman of Caparo Industries, the steel stockholding, industrial services, engineering and property group, is to seek early discussions with his counterpart at Barton Group following Barton's rejection, announced on Wednesday, of the £7.9m bid from Caparo.

Mr John Wardall, chairman of Barton, Birmingham-based tubing, industrial services and engineering group, has been out of the UK until today, but his board rejected the Caparo offer as "inadequate and unacceptable" after consulting financial advisors S. G. Warburg.

The cash offer, worth 33½p a share, was triggered when Caparo agreed to buy a 10.5 per cent stake in Barton from Staveley Industries. Since Caparo already held a 20.5 per cent stake in the company, this latest purchase pushed it over the 30 per cent point at which a full bid becomes mandatory.

BRONX ENGINEERING HOLDINGS—Results for the year to the end of November 1982 and prospects reported on March 16. Shareholders' funds £3.51m (£3.14m); fixed assets £979,111 (£1.02m); net current assets £2.51m (£2.1m); net increase in funds £411,000 (decrease £885,000). Meeting: Birmingham, May 5 at noon.

Pentland Inv. fends off bid with counter-proposals

BY CLIVE WOLMAN

Edinburgh-based Pentland Investment Trust yesterday produced a defence document against a take-over bid from the City's Throgmorton Trust which details its own counter-proposals to merge with two other Scottish investment trusts and carve out a set of unit trusts from their assets.

The attraction of the Pentland proposals to create Scotland's first major unit trust group has been strengthened, the document claims, by the decision of the British Linen Bank to become a major shareholder in the new management group set up to handle proposed unit trust portfolios.

The British Linen Bank, the merchant banking arm of the Bank of Scotland, announced on Tuesday that it would join the Edinburgh-based company Martin Currie and Chieoo and Tait in the group which is to manage the £100m of assets from Pentland, and two other Scottish investment trusts, Dominion and General and Scottish Ontario. Sir Robert Erskine-Hill, chairman of Pentland, claims in the defence document that the Pentland unitisation proposals would thus bring in "the backing of a major Scottish financial institution."

The move also provides an opportunity for the Bank of Scotland to move into the field of unit trust management, in which Scotland is poorly represented.

The defence document challenges Throgmorton's claim that its offer, a 50-50 mixture of shares and debentures in Throgmorton, is worth 97 per cent of Pentland's net asset value. Tax considerations and Pentland's expenses arising from the proposed merger reduce the value of the offer to only 91 per cent, the document claims.

Pentland's shareholders would also miss out on the warrants to be issued to existing Throgmorton shareholders and Throgmorton's 1983 interim dividend, the document points out.

In an analysis published yesterday, Edinburgh stockbroker Wood Mackenzie suggests that a likely outcome of the battle is that Throgmorton will gain control of over 50 per cent of Pentland's shares—but not the 90 per cent necessary to complete the take-over. Throgmorton held a 24 per cent stake in Pentland before it launched its bid.

CONTRACTS AND TENDERS

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(ALGERIAN POPULAR DEMOCRATIC REPUBLIC)

MINISTERE DE L'ENERGIE ET DES INDUSTRIES PETROCHIMIQUES

(MINISTRY FOR ENERGY AND PETROCHEMICAL INDUSTRIES)

ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS

(NATIONAL COMPANY FOR THE EXPLOITATION OF OILWELLS)

NOTICE OF NATIONAL AND INTERNATIONAL CALL FOR TENDERS NUMBER 9039.03/0D

The Entreprise Nationale des Travaux aux Puits is launching an International Call for Tenders for the supply of:

Item No 1—Cooking equipment
Item No 2—Baking equipment
Item No 3—Laundry equipment
Item No 4—Heating equipment
Item No 5—Electric storage heater and water heater
Item No 6—Refrigeration equipment
Item No 7—Cold storage containers

This Call for Tenders is intended for Manufacturing Companies only, and excludes amalgamations, representatives of companies and any other intermediaries, in compliance with the provisions of Law No 78-02 of 11 February 1978, with respect to State Monopoly on Foreign Trade.

Tenderers interested in this Call for Tenders may obtain the specifications from the following address: Entreprise Nationale des Travaux aux Puits, 2 rue du Capitaine AZZOUG, Cote-Rouge, Hussein-DEY, ALGER (ALGIERS), ALGERIA — Departement Approvisionnements et Transports (Supplies and Transport Department) with effect from the date on which this Notice is published.

Tenders, of which five (5) copies should be prepared, must be sent in a double sealed envelope, by registered post, to the "Secretariat du D.A.T." (Supplies and Transport Department) at the above address.

The outer envelope should be completely anonymous, bearing no company insignia, and stating simply "APPEL D'OFFRES NATIONAL ET INTERNATIONAL Numero 9039.03/0D—Lot No ……, Confidentiel — A ne pas ouvrir" (National and International Call for Tenders Number 9039.03/0D, Lot No ……, Confidential — do not open).

Tenders should be sent to arrive by 1200 hours on Saturday, 14.5.1983 at the very latest.

Selection will be made within 180 days from the closing date of this Call for Tenders.

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(ALGERIAN POPULAR DEMOCRATIC REPUBLIC)

MINISTERE DE L'ENERGIE ET DES INDUSTRIES PETROCHIMIQUES

(MINISTRY FOR ENERGY AND PETROCHEMICAL INDUSTRIES)

ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS

(NATIONAL COMPANY FOR THE EXPLOITATION OF OILWELLS)

NOTICE OF NATIONAL AND INTERNATIONAL CALL FOR TENDERS NUMBER 9047.03/0D

The Entreprise Nationale des Travaux aux Puits is launching an International Call for Tenders for the supply of:

Complete Printing Workshop

This Call for Tenders is intended for Manufacturing Companies only, and excludes amalgamations, representatives of companies and any other intermediaries, in compliance with the provisions of Law No 78-02 of 11 February 1978, with respect to State Monopoly on Foreign Trade.

Tenderers interested in this Call for Tenders may obtain the specifications from the following address: Entreprise Nationale des Travaux aux Puits, 2 rue du Capitaine AZZOUG, Cote-Rouge, Hussein-DEY, ALGER (ALGIERS), ALGERIA — Departement Approvisionnements et Transports (Supplies and Transport Department) with effect from the date on which this Notice is published.

Tenders, of which five (5) copies should be prepared, must be sent in a double sealed envelope, by registered post, to the "Secretariat du D.A.T." (Supplies and Transport Department) at the above address.

The outer envelope should be completely anonymous, bearing no company insignia, and stating simply "APPEL D'OFFRES NATIONAL ET INTERNATIONAL Numero 9047.03/00, Confidentiel — A ne pas ouvrir" (National and International Call for Tenders Number 9047.03/00, Confidential — do not open).

Tenders should be sent to arrive by 1200 hours on Saturday, 14.5.1983 at the very latest.

Selection will be made within 180 days from the closing date of this Call for Tenders.

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE

(ALGERIAN POPULAR DEMOCRATIC REPUBLIC)

MINISTERE DE L'ENERGIE ET DES INDUSTRIES PETROCHIMIQUES

(MINISTRY FOR ENERGY AND PETROCHEMICAL INDUSTRIES)

ENTREPRISE NATIONALE DES TRAVAUX AUX PUITS

(NATIONAL COMPANY FOR THE EXPLOITATION OF OILWELLS)

NOTICE OF EXTENSION OF TIME LIMIT

L'Entreprise Nationale des Travaux aux Puits, 2 rue du Capitaine AZZOUG, Cote-Rouge, Hussein-DEY, ALGER (ALGIERS), ALGERIA — hereby notifies those Companies interested in the International Call for Tenders number 0323.1K/MF for the supply of:

—Spare parts for Lightnin agitators, models 324 THRU 339
—Spare parts for Lightnin agitators, models 82 THRU 86 (Gear Drive)
—Spare parts for Lightnin agitators, models 81 Q THRU 89 Q

that the closing date for this Call for Tenders, which was initially planned for 2/4/1983, has been extended to 30/4/1983.

PUBLIC NOTICES

DERBY CITY COUNCIL BILLS
£1,250,000 due 13th July 1983, issued 13th April 1983 at a rate of 9¹⁄₃₂%. Applications totalling £1,250,000. These are the only Bills outstanding.

METROPOLITAN BOROUGH OF WOLVERHAMPTON
£18m 91-day Bills issued 13 April 1983 due 13 July 1983 at 9 55/64%. Applications totalled £57m. These are the only Bills outstanding.

KIRKLEES METROPOLITAN COUNCIL
Offered £4m money Bills for issue on the 13th April 1983 to mature 13th July 1983. Tenders were received for £29m and all the Bills were allotted at 8 55/64% nett discount. The total amount of Bills outstanding is £4,000,000.00.

TORBAY B.C.
£400,000 Bills placed 13th April due 13th July, 1983, at 8⅞%. Only Bills outstanding.

TRAVEL

TOKYO, Osaka, Seoul, Taipei & Far East. Wide choice of discount flights. Brochure. Japan Services Travel, 01-437 5703.

MOTOR CARS

MERCEDES and other Executive Cars wanted. Top prices paid. Your contact Peters. 01-998 1412.

LEGAL NOTICES

001058 of 1982
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
IN THE MATTER OF
KUNICK HOLDINGS PLC
AND IN THE MATTER OF
THE COMPANIES ACT, 1948

NOTICE IS HEREBY GIVEN that the Order of the High Court of Justice (Chancery Division) dated 28th March 1983 confirming the reduction of the capital of the above-named Company from £5,000,000 to £4,712,000 and the cancellation of the share premium account of the above-named Company of £81,203 and the Minute approved by the Court showing with respect to the capital of the Company as altered the several particulars required by the above-mentioned Act were registered by the Registrar of Companies on 31st March, 1983.
11th April, 1983.
HERBERT SMITH & CO.,
Watling House,
35/37 Cannon Street,
London EC4M 5SD.
Solicitors for the above-named Company.

No. 1285920
THE COMPANIES ACT 1981
BUSIPRINT LIMITED

On 7th April, 1982 the above Company passed a Special Resolution approving the purchase of 4,200 of its own shares and the making of a permissible capital payment of £28,357. The Statutory Declaration of the Directors together with the auditors report required by The Companies Act 1981 are available for inspection at the Company's registered office and any creditor of the Company may at any time within five weeks from the date of the said Resolution apply to the Court for an order prohibiting such payment.
WALTONS,
384a Silbury Court,
Silbury Boulevard,
Milton Keynes.
Solicitor to the Company.

AJAX INSURANCE COMPANY LIMITED OF HAMILTON, BERMUDA

NOTICE IS HEREBY GIVEN that all creditors of the above-named company are invited to an informal meeting of creditors to be held at the Chamber of Commerce, Front Street, Hamilton, Bermuda on Wednesday 27th April, 1983 at 11.00 a.m. A full report of the company's financial affairs will be presented and a proposal will be put for the orderly run-off of the company's obligations.
By Order of the Board,
I.C. TICKLER,
Director.
8th April, 1983.

COMPANY NOTICES

CREDIT FONCIER (CANADA)

NOTICE IS HEREBY GIVEN that according to section 4.05 of the Trust Indenture … Luxembourg, April 1983.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRS) IN FUJITEC CO. LTD.

We are pleased to confirm that copies of the Consolidated Financial Statements … CITIBANK, N.A., London, Depositary. April 15, 1983.

Notice of Final Maturity
MORTGAGE BANK OF FINLAND OY
U.S.$ 20,000,000
9½% 1976-1983

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRS) IN MITTO BOSEKI CO. LTD.

GESTETNER HOLDING B.V.
£10,000,000 11½% STERLING FOREIGN CURRENCY BONDS 1988 … N. M. ROTHSCHILD & SONS LIMITED, New Court, St. Swithin's Lane, London EC4P 4DU. 15th April 1983.

SIMOSA SPINNING & WEAVING …
US$50,000,000 FLOATING RATE NOTES DUE 1994 … ORION ROYAL BANK LTD.

PERSONAL

WOKING BOROUGH COUNCIL—BOARD ROOM SUITE. … Council Offices, Woking.

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

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For Share Index and Business News Summary, Telephone 246 8026 (number, preceded by the appropriate area code valid for London, Birmingham, Liverpool and Manchester).

MINING NEWS

RTZ stages a come-back in second-half 1982

BY KENNETH MARSTON, MINING EDITOR

AFTER suffering a 38.5 per cent fall in earnings to £28.9m, or 11.21p per share for the first half of 1982, Rio Tinto-Zinc Corporation has easily beaten all forecasts by boosting net attributable profits in the second half of tho year to £74.6m.

The resultant total of £103.5m, equal to 39.62p per share, earned by the UK-based international mining and industrial group for the full year betters the 1981 net attributable profit of £102.3m, or 40.42p per share on a slightly lower number of ordinary shares.

A final dividend of 10.5p maintains tho year's dividend total at 16p net. Following the much better than expected results RTZ shares jumped 43p yesterday to a year's high of 588p while the convertible loan stock advanced £8¼ to £128¼.

The strong recovery in earnings during the second half of 1982 reflects that of the CRA Australian arm which moved from losses to profit in the period, although it still showed a loss for the full year.

Other helpful factors included good performances by the cement-producing Tunnel Holdings which, with Thomas Ward, became a subsidiary in January last year. The Rossing uranium mine did well as did the U.S. Borax, in the economic circumstances, while the weakness of sterling enhanced the value of income from overseas.

Over the full year, base and precious metal prices were significantly lower than in 1981 but the effects of this were offset by the increased profits of Hamersley iron ore, Rossing uranium and the first contribution from Tunnel and Ward.

RTZ takes a cautious view of the current year's outlook, pointing out that the limited economic recovery now beginning to appear is not yet broadly based. "It is therefore much to early to predict the effect of the recovery on RTZ's operations in 1983."

However, virtually all segments of the group's interests are now faring no worse than last year and some are doing better. Thus, providing that there is no sharp adverse movement in exchange rates to affect the picture—such as a marked strengthening in sterling which would reduce overseas income to the parent—RTZ can hope for some further improvement in 1983 earnings.

But it is pointed out that "suppliers of basic raw materials tend to experience the impact of changes in business activity rather late in the cycle and it is likely to be towards the end of 1983, or even into 1984, before the full benefits of any economic revival are realised in terms of the group's operating results."

	1982	1981
	£m	£m
Group sales	3,880.4	3,020.7
Group operating profit	403.3	349.9
Share of assocs.	13.3	30.5
Divs. and int. receiv.	72.1	74.6
Making	488.7	456.2
Interest payable	147.7	107.1
Profit before tax	341.0	348.1
Tax	167.9	174.5
Profit after tax	173.1	173.6
Outside holders	69.6	71.3
Attrib. before extraord. items	103.5	102.3
Earnings per share	39.62p	40.42p
Extraord. items	7.5	83.9
Profit before extraord. items	111.0	186.2
Dividends		
Preference	0.4	0.4
Interim 5.5p (1981 5.5p)	14.2	13.6
Final 10.5p (1981 10.5p)	27.1	25.8
Retained profit	69.3	146.5

See Lex

Anglo metal producers get Zimbabwe loans

THE Zimbabwe Government has lent Z$12m (£8m) to the Anglo American Corporation group's nickel and ferrochrome producers there, reports Tony Hawkins from Harare. Government loans of Z$6m apiece are to be given to Bindura Nickel and Zimbabwe Alloys plus bank loans totalling a further Z$15m.

They have been made in order to help the companies through the recession and carry stringent conditions that include pledges by the companies not to reduce operations below present levels and not to pay dividends until the loans have been repaid.

The Government loans run for a period of almost five years to January 1988 and carry interest at prime overdraft rate which, at present, is 13 per cent. They also give the Government conversion rights into shares at par, to a maximum of 19.35 per cent of Zimbabwe Alloys and 17.1 per cent of Bindura, during the loan repayment period.

Bindura made a loss of Z$6.3m after interest payments last year compared with a profit of Z$3.6m in 1981. Zimbabwe Alloys expects to lose Z$5.5m in the year just ended and its cash problems have been aggravated by the need to finance large stocks of finished products.

Winthrop bid for Mid-East

THE Australian investment and property group Winthrop Investments is making an all cash offer for the shares in the natural resources company Mid-East Minerals not already owned.

Winthrop currently holds 38.2 per cent of the 20.89m ordinary shares of Mid-East and 27.6 per cent of the unlisted 6.24m contributing shares in issue.

Winthrop is offering 60 cents (34p) a share for the ordinary and 5 cents for each contributing share. Mid-East Minerals ordinary shares were 34p yesterday.

The offer is conditional on Winthrop obtaining a minimum acceptance of 90 per cent of Mid-East Minerals' issued capital.

Winthrop says the Part "A" offer has been lodged with the Victorian Corporation Affairs Commission for registration and will be forwarded to shareholders in due course.

Mid-East Minerals has a 33.59 per cent interest in Metals Exploration which in turn has a 31 per cent stake in North Kalgurli, and a 60 per cent controlling interest in oil and gas explorer Petro Energy.

BHP's new oil and gas find in Bass Strait

AN OFFSHORE exploration well drilled in Australia's prolific Gippsland Basin in the Bass Strait has recovered "significant volumes of oil and gas," according to Broken Hill Proprietary (BHP).

Test flows were from the 1,482 and 2,418 metre levels and indicated several hydrocarbon bearing zones in the well, the Whiting 1, in which BHP and Esso Exploration and Production Australia each hold 50 per cent. No flow details were revealed.

News of the discovery boosted an otherwise flagging Australian stock market, BHP shares, the subject of sizeable selling in initial trading on the Sydney market, rallied strongly to close 44 cents firmer on balance at A$7.66.

Other strong gains in Sydney were posted by Bridge Oil, up 20 cents to A$2.40 and Weeks Petroleum which jumped 10 cents to A$2.

Demand followed through into London markets where BHP closed 26p higher at 438p and Weeks Petroleum 10 firmer at 115p.

KEAN & SCOTT

The Board of Kean and Scott Holdings has announced that permission has been granted by the Stock Exchange for the new K&S shares, to be issued pursuant to the offer for Alpine Holdings to be dealt in on the Unlisted Securities Market and that dealings have commenced. The offer is, therefore, now unconditional in all respects and will remain open until further notice.

I. J. Dewhirst improvement

Sales of clothing manufacturer and wholesaler, I. J. Dewhirst Holdings, increased from £23.19m to £27.4m for the year ended January 14, 1983 and pre-tax profits of this Marks & Spencer supplier were up from £2.52m to £2.93m.

At half-time, taxable profits were ahead at £1.37m (restated £1.06m) and the directors said then that they were confident that the full year would see a continuation of the company's growth pattern.

Earnings per 10p share for the year improved from 5.55p to 6.53p, while a final dividend of 0.92p makes the total net payment higher at 1.27p (adjusted 1.0875p). A one-for-four scrip issue is also proposed.

Sales in the current year to date are appreciably ahead of 1982 and at present the company has full production programmes. The directors anticipate a reasonable growth in first-half profits mainly due to increased volume.

The year's profits included net investment income of £485,425 (£511,871) but were before tax of £798,645 (£702,124).

Borough of Sunderland

The issue of £25m 11½ per cent redeemable stock, 2008, offered by the Borough of Sunderland at £99.778 per cent was over-subscribed. The stock has been allotted on the basis of: up to £25,000 nominal of stock in full; £30,000 to £50,000 inclusive, £25,000; over £50,000, 44 per cent of the amount applied for with a maximum of £1.7m allotted.

BANK RETURN

	Wednesday April 13 1983	Increase (+) or Decrease (—) for week
BANKING DEPARTMENT		
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	27,058,463	— 10,102,666
Bankers Deposits	672,516,323	— 136,649,810
Reserve and other Accounts	2,057,438,591	— 167,884,290
	2,681,560,377	— 314,636,766
Assets		
Government Securities	433,185,940	— 177,386,712
Advances & other Accounts	1,286,336,076	— 114,470,607
Premises, Equipment & other Secs.	952,379,136	— 19,876,157
Notes	6,537,614	— 2,905,225
Coin	122,512	+ 1,935
	2,681,560,377	— 314,636,766
ISSUE DEPARTMENT		
Liabilities	£	£
Notes Issued	11,230,000,000	— 270,000,000
In Circulation	11,220,462,386	— 267,094,775
In Banking Department	6,537,014	— 2,905,225
Assets		
Government Debt	11,015,100	—
Other Government Securities	4,180,618,304	— 368,914,192
Other Securities	7,038,366,596	+ 98,914,192
	11,230,000,000	— 270,000,000

UK COMPANY NEWS

Austin Reed climbs to £3.3m with 63% increase

THE EXPECTED improvement in full year profits of Austin Reed Group, the clothing manufacturer and retailer, has materialised in a 63 per cent increase from £2.03m to £3.31m pre-tax, while turnover for the 12 months ended January 31 1983 was some £2m higher at £46.89m.

At the interim stage, when reporting a rise in taxable profits from £208,000 to £830,000, the directors said that although they did not expect an equivalent increase in figures for the second half, they would anticipate an overall improvement for the year as a whole.

With stated yearly earnings per 25p share ahead by 3p to 8.8p, the dividend total is being raised from 3.36p to 4.5p net with a final of 3.5p (2.46p).

The profits advance is attributed to an improved retail performance in the UK and the Netherlands; the growing contribution from womenswear; continued good results from Chester Barrie; the elimination of losses in Sweden; and the more efficient use of resources and good housekeeping.

Further rationalisation has taken place to ensure better returns on investment. This principally involved the closure of a factory and, as already announced, the Dublin shop. These costs have been written off and charged as extraordinary items of £223,000 (£364,000).

The directors consider that the reorganisation which has taken place within the group, over the past two years, has been largely completed.

Tax charge increased from £817,000 to £1.56m. There is a first time allocation of £100,000—£48,000 after tax—to the employees' share ownership scheme and after preference dividends, attributable profits were ahead from £830,000 to £1.45m. Ordinary dividends absorb £791,000 (£592,000)

● comment

The revival in consumer spending in the second half of last year is amply borne out by Austin Reed's profit, up 63 per cent, and better than even the most bullish outside forecasts. Not surprisingly, the shares, which were already at an all-time high, shot up another 16p to 156p. That puts the historic PE ratio at about 14½, still at a marked discount to the sector. The profits surge seems to be almost entirely volume growth, helped in particular by the success of the "Options" stores within stores venture. Although Austin Reed is fundamentally a retailer, it should be noted that royalty income, together with manufacturing added about £1.5m to operating profits. The interest bill was probably not much changed from the previous year's £1.3m, and Austin Reed's considerable exposure to customer credit makes it a prime beneficiary of lower interest rates.

Green's Economiser in the red

AS EXPECTED, the Green's Economiser Group, engineer, fell into the red in 1982 incurring a pre-tax loss of £759,000, a swing of £3.58m when compared with the previous year's profit of £2.82m.

The final dividend is being omitted (2.875p) leaving the net interim of 2.875p paid last November as the payment for the year (5.75p).

During the current year the group will receive the benefit from the closure of two loss-making companies and from the demanning exercise carried out by the operating companies in the latter part of 1982.

Despite the recent stabilisation in the price of most fuels, the general interest in energy conservation remains strong, and while there is some indication of an overall improvement in the general economic outlook in the short term, it is likely to be slow in the capital goods sector.

The group's financial position remains sound and the chairman looks forward to an improved trading profit in 1983.

Although turnover increased from £32.13m to £36.31m, this disguised a significant shortfall in the anticipated level of turnover in all areas of group's activities except Site Services. This company, however, suffered a severe setback in its trading performance and incurred a substantial loss.

The loss for the year was after taking account of exceptional debits of £772,000 (nil) for redundancy payments and interest charges of £205,000 (£117,000). Interest received added £75,000 (£253,000).

Tax took £93,000 (£802,000) and extraordinary debits £852,000 (nil), which were mainly closure costs.

Loss per 25p share emerged at 8.65p (22.51p earnings).

The predicted loss was given in a trading statement last January. At the same time the chairman said the group entered 1983 confident of a return to profit.

ARAN ENERGY

As a consequence of the transactions involving the sale of shares in Aran Energy by Silvermines, the shareholding of Jefferson Smurfit group has increased from 7.7 per cent to 9 per cent of Aran's issued share capital.

THE PROPERTY MARKET BY MICHAEL CASSELL

Peachey buys Carnaby St

PEACHEY PROPERTY is paying £10.57m for the Crown Estate portfolio in London's Carnaby Street, one of the world's most famous shopping streets and forever associated with the "swinging sixties."

Together with its own existing interests, the deal will give Peachey ownership of about three-quarters of the street's shopping frontage.

John Brown, managing director at Peachey, is understandably delighted at winning the tender: "We are extremely pleased. We have made a lot of money in Carnaby Street and this purchase gives us a wonderful chance to continue our modernisation and improvement programme and to significantly increase the income stream from the estate."

Peachey has put down a 2½ per cent deposit and will pay the balance on June 3. In return for its money, the company will acquire—with two exceptions—the entire shopping frontage on Carnaby Street's west side. The package involves 194 tenancies spread throughout 180,000 sq ft net of retail, office and studio space and accounting for the greater part of two island blocks. The next two years will see 124 lease reviews or reversions.

Current rental income from the Crown Estate portfolio is just under £925,000 a year, showing Peachey an initial yield —after purchase costs—of a shade under 8 per cent.

As for Peachey's existing with its new acquisition and Carnaby Street package—purchased in 1971 by the late Sir Eric Miller for about £3.3m—the company owns just under 116,000 sq ft of space in 54 separate units on the east side at the northern end. Current income is about £620,000 a year and the property has a current market value of around £9m.

Peachey has been carrying out a continuing and substantial refurbishment and improvement programme on its Carnaby Street properties which has clearly uplifted income and capital growth. Now it can be expected to repeat the exercise particular attention' is likely to be paid to the current tenant mix, which the company admits has got somewhat out of balance.

The Crown Estate, which purchased the properties in the early 1960s as the sequel to a redevelopment scheme which never got off the ground, is also said to be happy with the outcome. The balance of the Street not now owned by Peachey is held by a number of landlords, not least Electricity Supply Nominees.

Drivers Jonas acted for The Crown Estate and Healey and Baker advised a very happy Peachey.

City purchase for TSB

CITY of London Real Property, the Land Securities subsidiary, has sold its freehold interest in 2-6 Austin Friars, City of London, to the Trustee Savings Bank pension scheme.

The building, located in the prime EC2 banking area close to the Stock Exchange, is let to Akroyd and Smithers, jobbers, at a rent of £625,000 a year. The property was modernised in 1977, having spent over 70 years in the CLRP portfolio.

Jones Lang Wootton were seeking £12.4m for the building and TSB, advised by Hillier Parker, paid something close to that figure, indicating a yield of marginally less than 5 per cent.

● Imry Property has let nearly half its new office building on the Thames' south bank at 34 Southwark Bridge Road to Western Union International at a rent of £10 a sq ft. Knight Frank & Rutley and Bailey Cox & Edwards have about 6,000 sq ft remaining.

● E. F. Hutton (London), a subsidiary of the American finance house, has taken about 20,000 sq ft in Princess House, Bush Lane, Cannon Street, City, at a rent in excess of £500,000 a year (about £23.50 a sq ft). Sin-Goldsmith is talking with potential tenants for the remaining 67,000 sq ft.

Fingers crossed at Regional

GRAHAM HILL can get from his West End office in Albemarle Street to Uxbridge Road, Ealing in 20 minutes—without having to drive in a fashion reminiscent of his late, great namesake.

It is a point which Hill, a director of Regional Properties, is keen to make in extolling the virtues of Regional's Great Western Centre, the 166,000 sq ft net office complex topped out yesterday on the Uxbridge Road.

For Hill and for Regional, the development is a major preoccupation and more than a few fingers are crossed as the marketing programme for a tenant gets under way.

The scheme has been in the pipeline for over 10 years and Richard Ellis — joint letting agents with Edward Erdman—reckon that, on completion a year from now, it will be among the largest new office buildings coming on stream. Norwich Union are funding the £20m project.

For the time being, the question of rent remains an issue shrouded in some uncertainty. When work began on Great Western Centre over a year ago, Regional was talking about £15 a sq ft; it accepts some inevitable slippage since then but remains hopeful that the rent finally achieved could be back to the figure originally in mind.

The reality of the situation must be that, given the state of the marketplace, any single tenant coming forward will be in a strong negotiating position.

Ealing is not, perhaps, the first address to spring to mind for a tenant who could be expected to find anything up to £2½m in annual rent and Regional's timing may also leave something to be desired. But the company claims there are several good reasons why potential occupants should be interested in the attractive spanner-shaped building which sits alongside Ealing town hall and a few hundred yards away from an ominously empty 47,000 sq ft office block funded by Legal and General.

Rates

Apart from the building's close proximity to the centre of London and easy access to the "Heathrow corridor," the development is unlikely to involve rates payable in excess of £3.50 a sq ft (less than a quarter of current City of London rates). At the same time, Regional puts energy costs per sq ft at around 44p against a guesstimated £1 or more for older office buildings.

Pru sells Petrofina

THE Institution of Professional Civil Servants has paid over £5.4m for the freehold of Petrofina House, the 55,000 sq ft office building in York Road, London, SE1. Vendors were Prudential Assurance, the Co-operative Assurance Society and Petrofina. The purchasers, who will move in to the building, were represented by Edward Erdman. Sweby Cowan McGlashan and Bernard Thorpe acted for the vendors.

● Town & City has confirmed that British Telecom has taken 31,000 sq ft in its Shaftesbury Avenue office scheme, following the recent letting of over 21,000 sq ft to Foster Wheeler Petroleum Developments at a rent believed to be around £15 a sq ft. About 40,000 sq ft of floorspace remains unlet in the 45,000 sq ft building and there is also about 8,000 sq ft of adjoining refurbished space. Moss & Partners and Healey and Baker are joint agents.

● London Shop Property has sold the freehold of 5 Westminster Bridge Road, London SE1 for nearly £700,000 to the Greater London Council. The GLC will use the 14,000 sq ft building for its ethnic minority programme. Knight and Company and Healey and Baker acted for London Shop.

Sci-tech's solution to empty space

WALLACE MACKENZIE of Slough Estates says that marketing is the key to success—indeed survival — among the overbuilt acres of UK industrial space. Rapleys, the London and Huntingdon estate agents, have taken his comments to heart with the creation of Merchants Sci-Tech Trust, which is basically an attempt to find new tenants for old space.

Tom Harrison and Nicola Larsen of Rapleys have put together a group of (so far) four prospective landlords—Kwik-Fit, Heron, Tootal and Mucklow — with a total of 320,000 sq ft to let in Glasgow, Dundee, Newcastle, Manchester and the West Midlands.

The four have put in a combined initial funding of £20,000 to pay for Rapley's time, and there is a joint advertising budget of £100,000. Rapleys are actively seeking further participants, and locations, at a "nominal" entry fee—something in the region of £2,000 to £5,000, said Tom Harrison.

The properties have been designed, or are being redesigned, for small business use —not only for manufacturing but for a variety of uses such as warehousing, offices and craft centres. To let them, Rapleys have conceived what they describe as an "umbrella" for the small businessman — "a complete package of business support."

They list a dozen aids under that heading, including advice on capital requirements, on-site accountants, marketing and management consultants; there is also a range of "central facilities," including telecommunications, copying and secretarial services and conference facilities.

There have been a number of experiments in providing managed space of this nature—by the Greater London Council among others—and Tom Harrison says that the difference in this scheme is in the cost and effectiveness of providing a tenant for a property.

In other words, he is in business, not philanthropy. In the West Midlands, Rapleys started on a basis of achieved rents of £2.29 a sq ft.

On top of that, Rapleys is adding a management premium of 20p a foot. However, it has designed its six year leases with an initial rent free period so that average rent for the first three years would be £1.52 a foot. Alternatively, tenants can opt for a six-month trial period at the full price, but with no forward commitment.

The scheme looks interesting, and Harrison said that there has been a good response—14 inquiries—to an initial television marketing shot for the West Midlands property on Monday.

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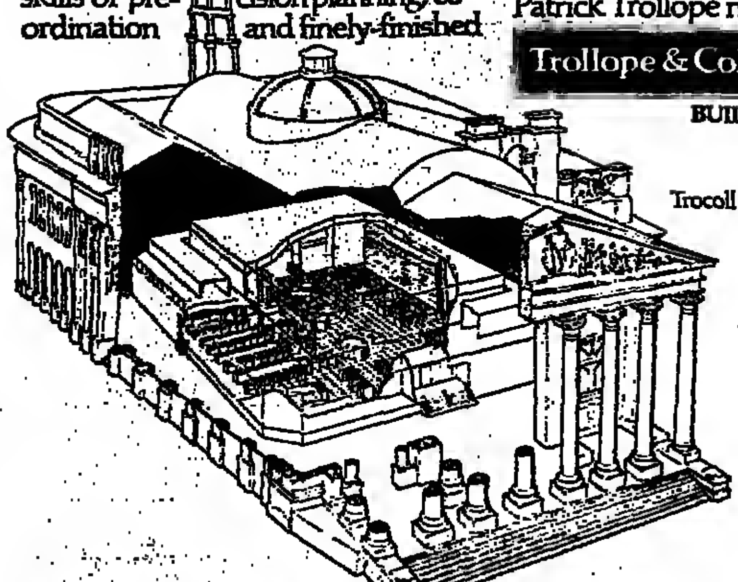

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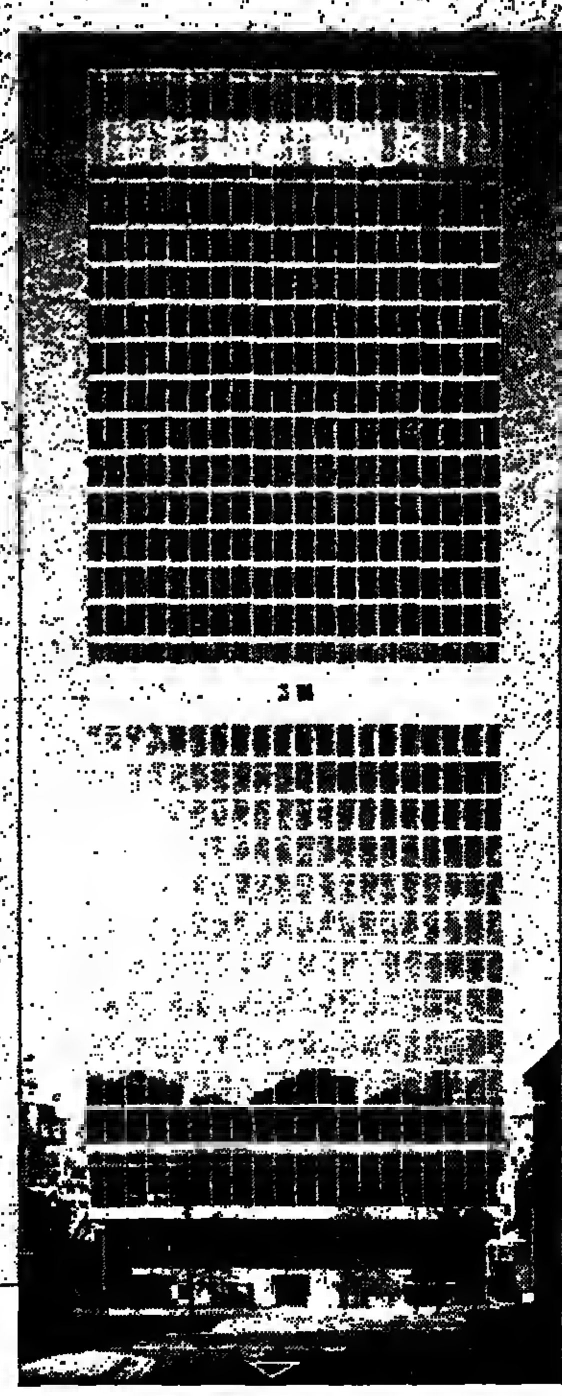

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Fuller Peiser, Chartered Surveyors, Thavies Inn House, 3-4 Holborn Circus, London EC1N 2NL. Tel: 01-353 6851. Telex: 25916. Sheffield (0742) 750161. Telex: 547086, and Edinburgh. Associated Offices New York, Los Angeles, Toronto and 20 other offices throughout USA and Canada. Industrial and Commercial Valuers, Appraisers and Auctioneers for property, plant and machinery. Rating, Insurance, Project and Property Management, Agency and Investment Services.

Grimley & Son, 2 St. Philip's Place, Birmingham 3. Tel: 021-236 8236. Also at 10 King St., Covent Garden, London WC2E 8HN. 01-836 9654 and 9 St. James's Square, Manchester M2 6DN. 061-834 7187.

Industrial Plants Corporation (UK) Ltd., Auctioneers and Valuers of Plant and Machinery. 71a Salisbury Street, Hull HU5 3DU. Tel: 0482 492572. Telex: 527562. Established USA 1918.

ITEB Valuation Services, Valuers of Plant & Property U.K. & World-wide. Longridge House, Manchester M60 4DT. Tel: 061-833 9282.

Norman Levy Associates Overseas. Guaranteed Valuation and Auctioneers of Plant and Machinery. Morley House, 314/322 Regent Street, London W1R 5AH. Tel: 01-636 0701. Telex: 887291. Levy G.

Edward Rushton, Son and Kenyon (Est. 1855). Auctioneers, Loss Assessors and Valuers, 19 Carlos Place, Grosvenor Sq., London W1Y 6HA. Tel: 01-493 6787 and at Dublin, Manchester, Sydney, Melbourne, Brisbane, Hong Kong, Atlanta and Salisbury.

G. F. Singleton & Co., 53 King Street, Manchester. Tel: 061-832 8271.

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Edward Symmons and Partners, Auctioneers and Valuers, 56-62 Wilton Road, London SW1V 1DH. Tel: 01-834 8454. Telex: 895348. And at Manchester.

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A FINANCIAL TIMES SURVEY

INTERNATIONAL PROPERTY

The Financial Times proposes to publish a Survey on the above
The provisional date and editorial synopsis are set out below

PUBLICATION: MAY 27th 1983

COPY DATE: MAY 17th 1983

1. INTRODUCTION: The world's most important property markets have undergone widely differing experiences over the last twelve months. Recession maintained its grip on the major economies and property rarely managed to escape the backwash. Hong Kong courted catastrophe while centres like New York, Sydney and London proved more fortunate. Investment sentiment has been reappraised but remains healthy and, in some markets, the time for bargains has apparently already passed.
2. WORLD RENTAL LEVELS: For the most part, commercial property rentals around the world have shown minimal growth or have declined. The big question is how long it will take for any significant recovery to materialise. This article will include an international comparison of office rental levels and other overhead costs.
3. FRANCE: Paris remains the inevitable centre of attention of occupiers and investors. Despite the country's economic problems, an acute shortage of space has arisen in the capital, threatening major increases in rentals and capital values.
4. BELGIUM: Demand for commercial space has remained generally weak and rental growth has been minimal. Institutional investment has been limited and hopes of a revival are pinned on an improvement in the economy.
5. HOLLAND: The property market has been very difficult, with supply in most centres outstripping demand, putting rentals and values under considerable pressure. Signs of an improvement are, however, now being detected.
6. WEST GERMANY: A fairly typical performance, by recent European standards, with slack demand leading to weaker rentals and increasingly choosy investment market. One of the best hopes for an early recovery?
7. UNITED STATES: Short term weaknesses in many real estate centres continue to be counterbalanced by their inherent potential. The level of overseas investment activity is still strong, though it appears marginal in the context of total domestic real estate investment.
This part of the survey will examine market conditions in the following major U.S. centres:
1) New York
2) Chicago
3) Los Angeles
4) The Sun Belt

Other areas to be covered include:

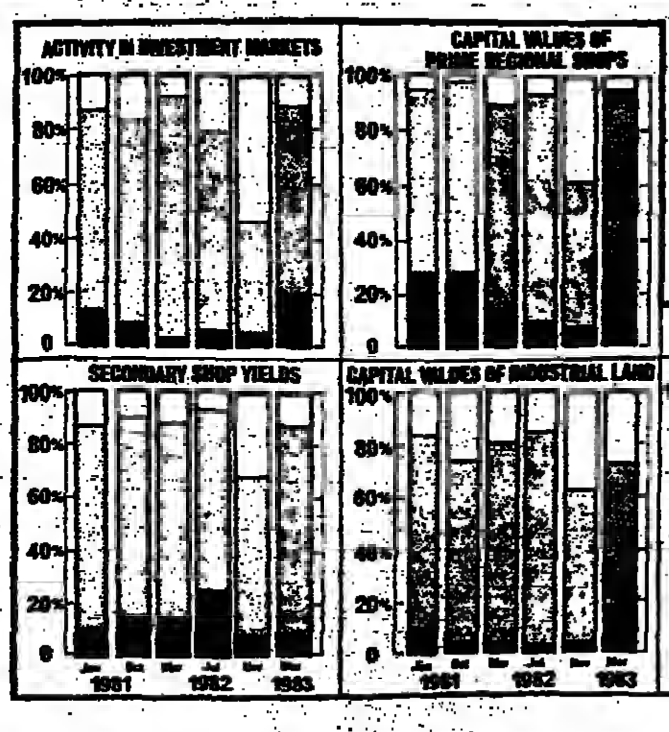
8. UNITED KINGDOM
9. CANADA
10. AUSTRALIA
11. HONG KONG

For further information please contact:
Andrew Wood on 01-248 8000 ext. 4196

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

The content, size and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor.

UK NEWS—THE FT/RICS PROPERTY INDICATORS



● *A poll by the Royal Institution of Chartered Surveyors. RICS members' firms and investing institutions in all regions were asked if there was a rising (R), static (S) or falling (F) trend in rents, investment yields, capital values and investment activity for different classes of commercial and industrial property.*

AREAS		LON. CITY	WEST END	REST GLC	SE (EX-LON.)	N	NW	EAST ANGLIA	YORKS & HUMBER	EAST MIDS.	WEST MIDS.	SW	SCOT.	WALES	N. IRE.	NATIONAL
Compared with three months ago																
QUESTION 1 What is the trend in rents?		%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
(a) Offices	R	23	4	6	13	14	19	8	0	0	7	12	34	0	25	12
	S	73	87	82	87	65	76	84	90	40	79	88	66	100	75	80
	F	4	9	12	0	21	5	8	10	40	14	0	0	0	0	0
(b) Prime Regional Shops	R	30	29	17	22	14	14	47	17	20	14	35	5	7	50	21
	S	70	59	83	78	72	86	47	83	67	57	65	86	93	50	73
	F	0	12	0	0	14	0	6	0	13	29	0	9	0	0	6
(c) Secondary Shops	R	27	13	8	37	8	15	8	13	23	0	27	14	23	25	10
	S	64	82	92	59	92	75	84	82	69	77	68	81	69	75	75
	F	9	6	0	4	0	10	0	6	8	23	5	5	0	0	7
(d) Modern Factories	R	8	0	6	0	0	0	7	0	0	7	0	0	0	0	3
	S	75	100	94	84	77	64	72	74	88	67	73	84	79	33	78
	F	17	0	0	16	23	36	21	26	12	26	19	16	31	67	19
(e) Modern Warehouses	R	8	0	6	3	8	5	7	0	0	7	8	0	0	0	4
	S	75	100	94	81	69	59	72	74	88	67	77	90	86	50	78
	F	17	0	0	16	23	36	31	26	13	26	15	10	14	50	18
QUESTION 2 What is the trend of invest yield?																
(a) Offices	R	0	4	6	3	19	14	7	0	13	6	0	10	0	0	6
	S	100	96	88	90	75	81	80	89	82	81	87	90	100	100	88
	F	0	0	6	7	6	5	13	11	6	13	13	0	0	0	6
(b) Prime Regional Shops	R	0	4	0	10	6	5	6	0	0	6	0	14	0	0	5
	S	77	78	82	80	69	65	63	61	75	75	79	80	92	100	75
	F	23	18	18	10	25	30	31	39	25	19	21	6	8	0	20
(c) Secondary Shops	R	0	0	0	4	14	5	0	6	7	7	9	35	0	0	7
	S	100	100	88	89	72	76	69	66	80	79	74	60	100	100	81
	F	0	0	13	7	14	19	31	28	13	14	17	5	0	0	13
(d) Modern Factories	R	18	20	28	29	40	41	27	42	29	38	18	50	15	0	31
	S	73	80	72	67	47	50	40	47	59	56	64	50	70	100	60
	F	9	10	0	4	13	9	33	11	12	6	18	0	15	0	9
(e) Modern Warehouses	R	10	13	21	26	34	36	20	37	24	31	17	50	15	0	27
	S	80	87	79	70	53	55	47	53	70	63	66	50	77	100	65
	F	10	0	0	4	13	9	33	10	6	66	17	0	0	0	8
QUESTION 3 What is the trend of capital values?																
(a) Offices	R	14	5	0	14	7	14	7	0	0	7	13	29	0	0	9
	S	81	86	83	82	66	76	79	90	69	80	83	61	100	100	80
	F	5	9	17	4	27	10	14	10	31	13	4	10	0	0	11
(b) Prime Regional Shops	R	23	37	20	27	36	26	40	33	13	31	35	10	15	33	26
	S	69	58	80	69	50	74	53	67	74	71	65	76	85	67	68
	F	0	5	0	4	14	0	7	0	13	0	0	14	0	0	6
(c) Secondary Shops	R	0	11	8	24	8	15	23	24	14	0	17	5	17	25	14
	S	83	83	92	76	84	70	61	70	79	92	74	65	83	50	76
	F	17	6	0	0	8	15	16	6	7	8	9	30	0	25	10
(d) Modern Factories	R	0	0	6	0	0	9	7	0	6	7	0	0	0	0	3
	S	80	85	63	69	50	36	50	42	63	43	63	53	69	50	58
	F	20	15	31	31	50	55	43	58	31	50	37	47	31	50	39
(e) Modern Warehouses	R	0	0	6	0	7	14	7	0	0	7	0	0	0	0	3
	S	90	92	70	67	50	41	57	47	69	53	71	55	77	67	63
	F	10	8	24	33	43	45	36	53	31	40	29	45	23	33	34
(f) Industrial Land	R	0	8	6	0	0	8	15	0	8	8	0	0	0	0	2
	S	75	80	76	75	75	58	61	59	80	69	70	78	62	75	71
	F	25	20	10	25	25	42	24	41	20	23	30	22	38	25	27
QUESTION 4																
Activity in Investment Markets	R	15	36	19	28	7	20	27	23	7	7	24	16	10	0	20
	S	70	64	75	64	73	70	53	65	73	71	56	68	80	100	67
	F	15	0	6	8	20	10	20	12	20	22	20	16	10	0	13

Still hard going

THE UK commercial property market remains difficult and patchy but relatively stable, according to the 22nd Business Indicator Poll conducted jointly by the Royal Institution of Chartered Surveyors and the *Financial Times*.

The poll underlines the two-tier nature of the existing market, in which prime properties of most descriptions have continued to attract tenants and maintain some element of rental growth. Investment interest has, at the same time, become increasingly selective and some respondents say it has now become impossible to fund speculative developments in the industrial sector.

A growing number of surveyors taking part in the poll report an expansion of "incentive packages" and concessionary terms in order to tempt occupiers, but the response is often sluggish, despite the apparent attraction of the terms.

The overall view remains that there are few signs of any significant improvement in letting prospects and that it will be some time yet before any upturn in the economy works through to effect demand for space. Even then, occupiers' space requirements may be of a more limited nature than after previous recessions.

In the City of London, demand for prime office space and for accommodation in good secondary locations remains buoyant and rents continue to increase. In some of the fringe locations, however, rents—at best—remain unchanged and concessionary terms are quite widely available. At the time of the last poll, 21 per cent of respondents said City rents were falling but this time only 4 per cent report any rental decline.

In the West End of London, most surveyors continue to report stable office rentals although in the shops sector there is an increasing incidence of rising rents. Throughout the remainder of the country, the pattern of rents for office, retail and industrial space is generally one of stagnation, with few indications of significant increases or, indeed, reductions.

In the investment market, yields generally are regarded as stable. At the time of the last poll, a majority of those taking part said yields were continuing to edge upwards, although most now report little movement of any kind.

MICHAEL CASSELL

CONTRACTS

INDEPENDENT COMPUTER ENGINEERING has won an order worth over £75,000 from ALPACOM of Belgium for the supply of ICE multiplexors and disk sub-assemblies.

★

RENELEC, a subsidiary of F. Rendell & Sons, has won a contract for electrical installations to the Chalybeate Private Hospital which Y. J. Lovell (Midland) is building for HCA in Southampton. The contract value is £490,0000. Renelac has also won the contract for similar work for the private hospital being built by Y. J. Lovell (Southern) at Gatwick (£285,000), and a contract worth £104,000 for A. J. Dunning for electrical and plumbing work to a housing scheme at Salisbury, Wiltshire.

★

PHOSPHOR PRODUCTS CO., Poole, has received a £1m contract from British Aerospace Dynamics Group, to supply alpha-numeric display systems for installation in British Telecom's automatic call recording equipment (ACRE) operator consoles. The DC electroluminescent display and its drive electronics were custom designed by Phosphor Products for the ACRE application, and will be delivered to British Aerospace over a period of 14 months.

★

METITO (UK) has won a chlorination contract from the water authorities in Jamahiriya (Libya). The initial contract, worth $2.2m (£1.48m), involves the commissioning, training of Libyan staff and operators, maintenance and after service, spares and supervision of the installation. The company is poised to receive a further order before the end of the year. A letter of intent from the same authorities has already been received by Metito UK. This brings the total project value to approximately $5m.

★

A £750,000 order to supply overhead cranes for the Castle-Peak B power station in Hong Kong has been received by JOHN SMITH (KEIGHLEY). The turbine hall cranes will be supplied to G.E.C. turbine generators division. Two 150/30 tonne double span girder cranes each with a 32.8 metres span and two-speed mainhoist units form the largest part of the order. Also included is a 2 x 3 tonne single girder crane with a 12.5 span and four 30/2 tonne two-motor cranes each with a 4 metre span with a cantilever at each end.

★

The studio capital projects department of the BBC has commissioned CALREC AUDIO to design and build four film dubbing desks for its Cardiff and London broadcasting centres. The contract, worth over £125,000, is for four similar systems, each comprising 18 channels and six groups, which will provide a full range of dubbing facilities for video tape and film material.

★

Sixty-one houses and flats are to be built by the Maidstone office of WIMPEY CONSTRUCTION UK for Bexley London Borough in Craydene Road, Erith, under a contract worth about £1.7m. The project has started and comprises 49 three-bedroom and six four-bedroom houses, and a two-storey block of one- and three-bedroom flats. Construction is mainly traditional with reinforced concrete ground floor slab on piled ground beams, brick block cavity external walls and brick party walls. Wimpey will undertake drainage, access roads, parking areas, walls and landscaping.

Two blocks of flats, totalling 66 homes, are to be built by the Nottingham office for the UK Housing Trust. Work has just started on the flats at Stuart Street, Derby, under a contract valued at £777,000. Completion is expected in September 1984.

★

The joint efforts of HAYWARD TYLER OF LUTON and HAYWARD TYLER INC., U.S., have resulted in an order for glandless boiler circulating pumps worth £1.75m. The 400 hp wet stator motor driven units are for thet Korba super thermal power station in India. They are to be installed on 500 MW boilers and will be manufactured at Hayward Tyler's plant in Luton. Delivery is scheduled over a three-year period.

INTERNATIONAL PROPERTY

CORBY I

REPORT BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

Three years ago Corby looked set to become an industrial wasteland. Since then more than 180 companies have arrived and 3,000-plus jobs have been created. Town officials are confident the success will continue

The town that fought its way back from the brink

CORBY, the steel town that looked like dying, chose an eloquent Irishman to bring jobs to the expatriate Scots resident in England's first enterprise zone. Success has followed. "And there is no reason why it should not continue," says Fred McClenagban in his soft Irish brogue.

He was appointed director of industry just three years ago to head a unique partnership of public sector bodies aimed at recruiting new industry to ameliorate the crisis caused by closure of the famous Corby steelmaking plant with the loss of 5,500 jobs.

Corby, a town where it is still important whether you support Celtic or Hearts, owes its very being to steel and the decision nearly 50 years ago by Stewarts and Lloyds, from Scotland, to base its new steelworks upon the rich ironstone deposits of rural Northamptonshire.

A village of 1,500, helped by a succession of Government initiatives, and the trek south by countless Scots has grown to a population of 55,000. The Scottish influence prevails but steel has declined rapidly in recent years.

Over-dependence upon steel—the local works acconnted for seven out of every 10 jobs—prompted the Government as long ago as 1950 to designate Corby a new town, with a development corporation to promote both the balanced growth of the community and the local economy.

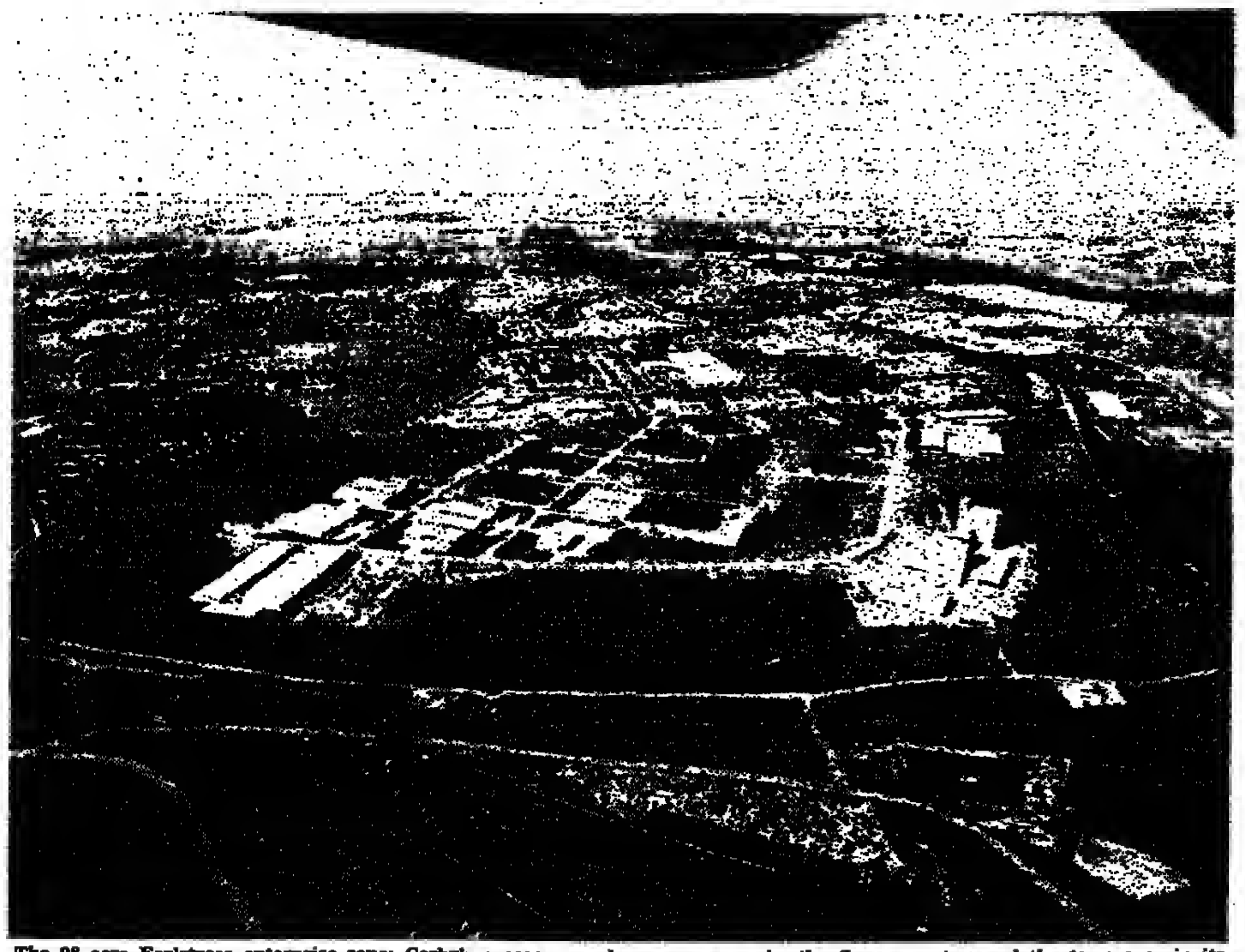
But despite the efforts of nearly three decades Corby remained a single-industry town huddled around the ugly blast furnaces of the giant British Steel Corporation.

The trauma was the greater when the state-owned concern announced steelmaking was to be ended in 1980 and the 11,000-strong labour force to be balved—a move that immediately pushed unemployment above 20 per cent.

The tube processing plant, acclaimed as one of the world's most modern and efficient manufacturing units, was retained. But even there economies have been necessary: a programme to sbed 600 jobs has just been completed and British Steel now employs only 3,500 people at Corby, including the headquarters staff of the £680m a year tubes division.

Support

The very scale of the crisis that hit Corby in the antumn of 1979 prompted a series of reactions that have hrought the changes so apparent in the town today. Support was given to a programme for massive industrial development recommended by consultants Coopers and Lybrand Associates.



The 98 acre Earlstrees enterprise zone: Corby's success may be one reason why the Government passed the town over in its recent allocation of new enterprise zones

The Government granted Corby development area status. But there was also a need for an agency to actively promote growth by chance. The development corporation, the obvious body to pursue such a role, was in the process of being wound up and its assets transferred to the New Towns Commission.

In a unique move, the Commission in Corby was charged with the task of assembling sites, building the roads and infrastructure and providing the factories necessary to attract new industry. Around £10m to £12m a year of puhlic money is being pumped into the local economy in this way.

Crucial to uniting efforts to back Corby's recovery plan was the formation of the joint industrial development committee with representatives from the Corby District Council, the New Towns Commission and Northamptonshire County Council.

This is the committee to which Mr McClenaghan, employed jointly by the District Council and the Commission, reports. The pace of development has been hectic. England's first enterprise zone was officially opened at Corby in June 1981 hut now only 30 of the 285 acres within the designated area remain available.

More than 3,000 jobs have been created in three years and some 186 new companies have come to the town. More than 1m square feet of factories have been built and let. Private sector investment is put at around £225m.

Commodore, one of the leading U.S. personal computer companies, is the latest big name to be attracted: a £20m investment is planned for a home computer plant creating 250 jobs by the end of 1984.

Mr McClenaghan has worked hard to counter "the negative image of Corby as a steel town somewhere to the north." The blast furnaces have been demolished and a £2m tree planting project is underway.

"Publicity does not change people's opinions. It's what companies find here," Mr McClenaghan argues. "If they aim to get here on time, they arrive half an bour early because they didn't realise how near we are."

Location, 80 miles from London and 50 from Birmingham on what Mr McClenaghan calls "the much-exalted Swindon to Peterborough belt," is an obvious attraction. Newcomers tend to be manufacturers to whom distribution is also important. Associated British Foods, for example, is spending £25m on two processing plants including an inland flourmill.

Passed over

The very success of Corby may be one of the reasons why the town was passed over by the Government in its latest allocation of enterprise zones. An application had been made for a further 480 acres to be inclnded.

But Mr McClenaghan is confideut the momentum already established can be sustained. He points out that two in three of the new companies recruited have been located outside the enterprise zone.

The work of servicing new land—the district council has a £16m reclamation programme underway—and building advance factories continnes and there has been no let up in the level of inquiries.

Corby can still offer the financial incentives linked to its development area status and has also benefited from the European Commission.

It is estimated that the town has received around £65m from Brussels over the past three years: some £40m from the social fund paid through the British Steel Corporation to ex-steelworkers, £8m in loans to businesses and £17m on projects such as road works and land reclamation.

But does the town, after the initial impetus provided by the enterprise zone, not now face its real test? "No," Mr McClenaghan says with a confident smile. "That test came three years ago when we faced up to the issue of whether we could get a recovery programme off the ground."

'We manage this local authority like a business'

PARTY politics is almost irrelevant on Corby's Labour-dominated district council—the Tories hold only three of the 27 seats and there is one independent.

In spite of its ascendancy the Labour administration provides an example of town hall financial rectitude of which even Mrs Thatcher could be proud. Staff have been axed, rates from this month tumbled 25 per cent and yet council rents have been pegged and services increased.

"We run this local authority like a business. If we can cut our costs we are doing something for the people of Corby and helping to create jobs," says Mr Kelvin Glendenning, the Labour leader.

In his mid-50s Mr Glendenning finds himself a full-time politician, having been made redundant in 1980 with the closure of the steelworks where he had been a leading union official.

He is Welsh but conscious of his constituents: "The majority of people here are from Scotland. They are very thrifty with money. By acting likewise as a local authority we have given new confidence in the town."

Jobs remain the top priority and be is quick to point out that the recent cut of 7½p in the rate will mean a reduction of £2,000 a year on a 40,000 sq ft factory.

The pragmatism of the local Labour Party has undoubtedly been a benefit in dealings with the Government. The council hired a helicopter to fly in Mr Michael Heseltine, then Environment Secretary, to "cut the last piece of red tape" and open the euterprise zone.

Mr Glendenning is amused that it should be under a Conservative Government that he was awarded the OBE. Was it embarrassing? He langhs: "Oh no. It just shows that they recognise what we are achieving at Corby."

He boasts that Corby is recognised even by the European Commission as one of the towns that has responded best to steel closure. "It is partly the personality of Corby. We are not prepared to sit back and let decay set in. We took the initiative travelling to see ministers in the UK and Europe to get something done."

But he regards that in spite of the new firms attracted unemployment remains stubbornly above 20 per cent: "We are running to standstill." He blames the continued fall in jobs at the British Steel Corporation works—down from a peak of 14,000 to only 3,500.

"Patrick Jenkin, the Industry Secretary, gave an assurance only a few weeks ago that the tube works is here to stay. But after all that has happened before there remains a basic fear in the town that it might go."

Many workers have been cushioned until recent months from the full impact of the steelworks closure of 1980 because of "make-up pay" available from the European Commission. Workers able to find a job had their wages supplemented, if necessary, to raise their earnings to 90 per cent of those enjoyed while at British Steel Corporation. The proportion dropped to 80 per cent in the second year before ending.

Hardship

Some employers had taken advantage of the scheme to get labour at low wages, Mr Glendenning said. But the practice was not widespread. He believed steelworkers who walked out with on average £7,000 a head in redundancy pay had not "blown" the money but had used it to adjust to the lower standards brought by unemployment.

Indeed there has been no sign of a spending spree in the shops. Nor, unusually, any indication of redundant workers setting np in business on their own.

"The 13-week national steel strike which preceded the Corby closure in many ways prepared people for what was to come," Mr Glendenning says. "During that dispute I think people probably suffered more hardship but at the same time a community spirit was developed."

He explains that groups of workers went to East Anglia to buy vegetables in bulk and sold them at cost in empty council houses opened as local shops: "That is typical of the spirit that will make a success of this town. We are pulling together."

CORBY II

Arthur Smith looks at the work of three men who are helping to shape the town's future

How a Corby Works campaign advertisement is paying off

"CORBY was the last place to locate an electronics company. I knew it of old as a steel town, visible only through that horrible yellow, black and purple smoke," says Norman King, managing director of R. S. Components, one of Europe's largest distributors of electronic and electrical parts.

He had already decided to locate his new national distribution centre at Milton Keynes. Temporary warehouse accommodation was being rented. But in "one final look round" he visited Corby "very much as a last resort." An advertisement "Corby Works" had caught his eye at Kings Cross station on his regular journey into the City.

Mr King's visit to Corby was 12 months ago. Work is now well advanced on a £12.5m project to provide a 335,000 sq ft headquarters by early next year.

Some 1,000 jobs will be created in what marks Corby's biggest company recruitment in recent years.

RS Components has already taken 110,000 sq ft of temporary accommodation and set on 500 workers.

Mr King: late convert

Mr King, though a late convert, now offers a walking advertisement for what he terms "the new Corby": "Our headquarters is the place where we will receive not only suppliers but customers from throughout the UK and overseas. The old Corby would never have presented the right image. What we see now is clean and modern."

The problem for RS, since it started trading as Radiospares in 1937, has been the pace at which it outgrows its accommodation. Space even prompted a name change for the company in 1971: electrical parts were becoming so small that only the initials RS rather than the full name Radiospares would fit on the labels.

The turnover of RS, now running at around £70m a year, has climbed almost tenfold in as many years. Mr King points out that much of the growth is real as prices in electronics have not risen in line with inflation.

"The so-called miniaturisation of components is also a myth," he says. "While some parts have become smaller, others, such as the cabinets and reels of cable, are bigger."

The consequence for RS, which offers the same-day despatch from stock of well over 8,000 products, is an expanding warehouse and packing requirement. With core operations spread over five different sites in London, Hertford and Milton Keynes, the company began the search for a new headquarters.

The limiting factor on the company's location was the postal system. Mr King says the success of RS has been the promise of same-day despatch even for small orders: up to 10,000 packages and parcels a day are sent out from the present London-based distribution centre—by a special postal service which ensures delivery on the following day anywhere in the country.

Mr King says he asked the Post Office for the same service he could expect in central London: a final collection time of 6 pm which allows orders to be taken until 4 pm. "The area we were offered stretched as far north as Birmingham and eastwards to Peterborough."

FINISHING TOUCHES: work on a 250,000 sq ft R.S. Components warehouse in Corby nears completion

RS was looking for a site of around 30 acres, half of which it could develop and leave the rest for future growth. "Milton Keynes was the favoured location for some time. We looked at Peterborough but wanted to be a bit closer to the M1 rather than the A1."

Had the fact Corby was offering a site in an enterprise zone been a factor? "Of course it gave us benefits we would not otherwise have had—gosh! No rates until 1981," Mr King laughs.

But he argues that the benefits have to be put in context. The company's current total rent and rates bill was around £330,000 but pre-tax profit was around £14m.

"The whole package from Corby including the limited grants amounts to no more than three months' profit. You don't jeopardise the company by putting it in the wrong place for that," he says emphatically. Then, with a smile: "Cream on the cake—very nice."

Agent for a brighter future

MAURICE HART says himself that he is unusual for a manager in the New Towns Commission: "Normally the Commission is involved in winding down development activities. Here in Corby we are accelerating them."

His appointment was a "one-off" to deal with the special problems of Corby. The Government had already announced that the Development Corporation had fulfilled its role in Corby New Town and was in the process of transferring the assets to the commission when British Steel Corporation provoked a crisis in 1980 by axeing 5,500 jobs.

Accordingly, the Commission at Corby was given the task not only of managing assets, such as the nearly 500,000 sq ft shopping centre, but also of acting as the agency for future growth.

Mr Hart who took charge of the 50-strong commission staff at Corby just three years ago says he had a background different from that of managers elsewhere in the country who tended to be surveyors or land agents. He is a civil engineer who, although still only 38, has spent 20 years in local government in London and Northumberland.

It is as a civil engineer knowing all the technical problems that he can enthuse about the pace of expansion achieved at Corby. In his three years nearly 1m sq ft of factories have been built and let. He smiles: "Construction at that rate is exciting and demands total involvement from everyone concerned. But schedules are such that there is always the risk of being just one step from disaster."

Mr Hart, a serious and somewhat diffident personality, is based at the grand town centre offices of the former Development Corporation but has managed to establish good relations with the district council. There was a history of friction between the corporation and the local authority.

The close co-operation between the two public bodies has been an important factor in developing the momentum of expansion and attracting companies making anything from clay pigeons to gravestones. Factories from 250 sq ft to 100,000 sq ft have been provided according to requirements.

Mr Hart stressed the need to offer a continuous flow of factories—"a cascade of speculative units."

Work is expected to start in late summer on a £1.5m scheme to build six units totalling 80,000 sq ft in the 80 acre Willowbrook Estate.

The aim is to contain costs in order to offer competitive rents of around £2.10 a square foot. Mr Hart says: "It will be the test case—our first speculative development outside the enterprise zone."

Mr Hart: one-off appointee

Helping to win the race against time

DUNCAN HALL, probably the youngest local authority chief executive in the country when he was appointed to head Corby District Council, saw his job as "a race against time."

Three years on and at the age of 35 he believes Corby has made the breakthrough to diversify its economy and avoid the problem of long term structural unemployment.

Restructuring

"The unemployment crisis caused by the closure of the steelworks in 1980 was on such a scale that it was important to attract new industry quickly—to restructure the economy and give people the hope and confidence that change was possible."

Mr Hall took the top job at Corby after a series of appointments in local government in Northamptonshire but says: "I come from the north-east and I have witnessed the pattern of decline and mass unemployment that results. Corby was confronted with such a prospect but has escaped."

But why should Corby be different? "There has been a singular commitment, regardless of party politics, to create jobs. Corby did not get assisted area status by accident. The enterprise zone was not just dropped in our laps. Councillors took the initiative and went out and hammered on all the right doors."

Mr Hall maintains that local government set an important example by cutting costs and becoming more efficient. Even before he officially took the reins he pushed through an internal reorganisation that cut the number of chief officers from 70 to only three.

That rationalisation has been pursued and the council staff cut by more than 20 per cent to little over 500. The shake-out was achieved on a voluntary basis, however, without resorting to compulsory redundancies.

Mr Hall: top job

The benefits are now beginning to flow: rates have been cut 25 per cent, services expanded and council rents pegged. But perhaps most encouraging is the fact the levy from a penny rate is expanding because of the inflow of new companies and the expanding industrial base.

Welcome to Wonderworld

CORBY leaders take "wonderworld" seriously — the plan to establish a Disney type theme park on a 1,000 acre site close to the town.

The project could cost £200m, take 10 years to complete, and attract up to 5m visitors a year. More important it could provide up to 3,200 jobs in a town where more than 6,000 people are currently out of work.

Group Five Holdings, the privately-owned company of design consultants behind the venture, plans to get the bulldozers on site this summer with the aim of opening the first phase of the theme park by mid 1986.

The company says a feasibility study should be completed by June at which time more details should be available on the cost of the project and who will be involved. Group Five says it already has backing from British Electric Traction, French Kier Construction and Drake & Scull Engineering.

Important to the finance of the development will be the extent to which companies use the park as a show-case for their industries or get involved in the marketing and manufecture of the theme-related products.

Group Five says the best example of a theme park is Disney World in Florida. But good as the American parks might be "they remain fashioned to a model established at a time when work-free periods were exclusively for viewing — not doing — leisure, relaxation and passive pastimes."

Participatory

Wonderworld is seen as "a participatory theme park" — "the first of a new, maybe the ultimate, kind of park". But to take into account the British climate the organisers promise "a vast weather-protected centre in the tradition of the Great Exhibition Hall of 1851".

Group Five says: "The overall ambition is to develop a new leisure industry based in and around a theme park dedicated to Great Britain. A wonderworld of features sponsored in part by international corporations, acknowledging the best of Britain's past and present, but particularly the plans and prospects for the future".

The organisers forecast that if they can attract 3m visitors a year there will be permanent jobs for 2,000 people. Direct employment would rise to 2,600 for 4m visitors and to 3,200 for 5m visitors.

A.S.

Future Financial Times Surveys covering cities, towns, areas within the British Isles.

28 May	Britain's Business Centres — Aberdeen
8 June	Isle of Man
10 June	Leicestershire
4 July	Livingston
8 July	Enterprise Zones
22 July	Nottingham
28 July	Britain's Business Centres — Birmingham
Sept.	Regional Development
23 Sept.	Britain's Business Centres — Edinburgh
6 Oct.	Warrington
7 Oct.	Advance Factories
14 Oct.	Britain's Business Centres — Bristol
9 Nov.	Britain's Business Centres — Manchester
2 Dec.	Mid Glamorgan
9 Dec.	East Anglia
14 Dec.	Scotland

The FT proposes to publish these surveys on the provisional dates stated.

For further information regarding advertising or for an editorial synopsis contact:—

DAVID KEMP on 01-248 8000 ext: 3365

FT UNIT TRUST INFORMATION SERVICE

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INSURANCES

[illegible]

TRADED OPTIONS

EUROPEAN OPTIONS EXCHANGE

Series		June Vol.	June Last	Sept. Vol.	Sept. Last	Dec. Vol.	Dec. Last	Stock
O/FL C	F.265	1	11	—	—	—	—	F.275.05
O/FL C	F.270	40	7	—	—	—	—	"
O/FL C	F.275	10	0.50	6	4.50	—	—	"
O/FL C	F.280	50	1.50	—	—	—	—	"
O/FL P	F.260	25	0.60	—	—	—	—	"
O/FL P	F.265	45	0	2	6	—	—	"
O/FL P	F.270	7	4	22	2	—	—	"
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SILV C	$10	47	2.50	2	0.00	2	0.60	$11.52
SILV C	$11	12	1.55	5	2.50	—	—	"
SILV C	$12	28	0.90	57	1.79	4	2.20	"
SILV P	$10	20	0.00	6	0.50	—	—	"
SILV P	$17	—	—	6	1	4	1.40	"
		May		Aug.		Nov.		
GOLD C	$350	1	90	—	—	—	—	$436.26
GOLD C	$425	60	25	10	42	21	64	"
GOLD C	$450	55	12	4	22.00	4	02	"
GOLD C	$475	—	—	3	12	20	28	"
GOLD C	$500	27	2.50	65	11.50 A	—	—	"
GOLD C	$550	61	0.90	—	—	10	12.50	"
GOLD P	$400	10	0	5	11 A	—	—	"
GOLD P	$425	83	2	—	—	—	—	"
GOLD P	$460	85	10	—	—	0	56.50 A	"
12¾ NL 21 27-21								
C	F.127.50	6	0.10	10	0.50 A	—	—	F.100.60
C	F.150	129	7.00	52	1.50	—	—	"
C	F.155	1863	0.20	—	—	20	1	"
P	F.127.50	—	—	52	1.20	—	—	"
P	F.150	55	1.40	17	2.80	197	3.50	"
P	F.155	210	4.70	—	—	1	7	"
11½ NL 82 88-92								
C	F.107.50	200	6.50	—	—	—	—	F.114.00
C	F.110	—	—	1	4.50	—	—	"
C	F.112.50	30	1.60	—	—	—	—	"
10 NL 82 11 86-22								
C	F.105	—	—	200	3.50	—	—	F.108.6
C	F.107.50	20	1	10	1.70	—	—	"
7¾ NL 82 89-25								
C	F.100	—	—	2007	0.40	30	1.60	F.98.20
P	F.102.50	700	4.70	—	—	—	—	"
7½ NL 83 87-90								
P	F.27.50	—	—	—	—	300	2	F.97.80
P	F.100	250	2.50	—	—	—	—	"
		April		July		Oct.		
ABN C	F.360	—	—	82	21	—	—	F.378
AKZO C	F.55	—	—	—	—	82	7.90	F.58
AKZO C	F.60	59	0.20	150	0.30	62	4.70 A	"
AKZO C	F.65	—	—	172	1.50	—	—	"
AKZO P	F.60	—	—	602	2.40	—	—	"
AMRO C	F.65	—	—	63	7.70	—	—	F.31.80
AMRO C	F.65	—	—	71	0.50	134	4.60	"
HEIN C	F.120	—	—	103	12.50	—	—	F.152
HEIN C	F.130	—	—	174	12.60	—	—	"
HEIN C	F.140	—	—	195	6.50	—	—	"
HOOG C	F.25	—	—	227	1.20	—	—	F.22.50
HOOG P	F.17.50	—	—	163	1.20	—	—	"
HLM C	F.170	—	—	22	5.20	—	—	F.146.60
HLM P	F.190	—	—	84	0 A	—	—	"
KLM P	F.150	112	5.50	—	—	—	—	"
NEDL C	F.100	—	—	—	—	59	2	F.26.60
NEDL P	F.20	—	—	124	2	—	—	"
NEDL P	F.100	405	4	—	—	—	—	"
PHIL C	F.30	107	16.70	159	16.50	—	—	F.46.40
PHIL C	F.32.50	67	14	—	—	—	—	"
PHIL C	F.35	129	11.20	965	11.20	95	11.60	"
PHIL C	F.40	201	6.20	1384	7.10	162	8.50	"
PHIL C	F.45	—	—	1011	4.00	607	0.50	"
PHIL C	F.50	—	—	1277	2.60	608	0.50	"
PHIL P	F.40	—	—	176	0.90	—	—	"
PHIL P	F.45	—	—	124	0.40	—	—	"
PHIL P	F.60	—	—	60	5.50	—	—	"
RO C	F.90	25	24.60 A	—	—	—	—	F.114.30
RO C	F.100	256	14.50	176	14.60	—	—	"
RO C	F.110	806	4.30	072	7.50	152	8.50	"
RO C	F.120	—	—	025	4.20	187	6.30	"
RO P	F.110	—	—	62	0.10	—	—	"
RO P	F.120	—	—	86	10.50 B	—	—	"
UNIL C	F.200	7	19.20 B	147	28	—	—	F.218.50
UNIL C	F.220	50	1.90	156	10	5	15.50 B	"

TOTAL VOLUME IN CONTRACTS 20,582

A=Asked B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		CALLS April	CALLS July	CALLS Oct.	PUTS April	PUTS July	PUTS Oct.
BP (USP 070)	260	114	—	—	1	—	—
" "	280	94	—	—	1½	—	—
" "	300	74	82	20	1½	3	6
" "	300	44	56	22	2	8	12
" "	360	15	22	56	4	14	20
CGF (USP 537)	460	80	95	105	2	2	14
" "	500	40	64	75	4	17	25
" "	550	0	07	45	20	36	42
" "	600	1	14	22	—	67	—
CTD (USP 97)	70	28	30	32	1	1½	2
" "	80	18	30	22	1	2½	0
" "	20	8	12	14	1	4	0
" "	100	2	6	2½	4	7	2
CUA (USP 142)	120	22	51	33	1	1½	2
" "	130	10	22	25	1	0	4
" "	140	0	15	18	2	7	2
" "	160	1	6	10	14	17	20
GEC (USP 222)	180	50	58	62	1	2	4
" "	197	63	—	—	1	—	—
" "	200	—	38	44	—	2	10
" "	217	11	—	—	2	—	—
" "	220	—	24	00	—	12	20
" "	237	0	—	—	11	—	—
" "	240	—	9	—	—	22	—
" "	260	1	4	—	34	06	—
GM (USP 341)	260	81	—	—	1	—	—
" "	080	61	68	—	1	0	—
" "	300	41	50	54	2	4	7
" "	330	12	27	34	2	70	14
" "	320	2	15	20	21	26	89
" "	390	1	6	10	—	52	53
ICI (USP 424)	280	—	—	—	1	—	—
" "	300	126	136	—	1	—	—
" "	030	96	106	—	1	3	—
" "	360	66	76	82	1	5	6
" "	390	36	48	55	2	2	12
" "	420	8	26	52	8	13	22
LS (USP 026)	220	68	73	79	1	9	—
" "	220	48	54	60	2	4	8
" "	000	88	34	43	2	6	12
" "	330	4	15	23	10	20	23
M & S (USP 219)	160	60	—	—	1	—	—
" "	180	40	46	51	1	3	3
" "	800	20	28	34	1	6	2
" "	920	5	13	18	0	15	19
" "	240	1	0	—	23	26	—
SHL (USP 504)	430	82	94	100	1	0	7
" "	460	48	56	64	1½	10	10
" "	300	11	28	33	10	22	30

Option		CALLS May	CALLS Aug.	CALLS Nov.	PUTS May	PUTS Aug.	PUTS Nov.
BBL (U2P 462)	360	110	120	—	1	2	—
" "	390	83	93	—	2	3	—
" "	420	53	60	80	2	8	13
" "	460	12	30	60	12	22	30
" "	500	6	15	00	55	40	50
IMP (USP 118)	90	22	—	—	1	—	—
" "	100	19	—	—	1½	—	—
" "	110	10	16	12	0	4	6
" "	120	0¾	2	10	2	8	10
" "	150	1	0¼	5¾	14	15	16
LMO (USP 275)	210	75	83	90	2	3	5
" "	230	83	63	72	3	7	10
" "	250	02	46	55	5	16	23
" "	270	20	30	42	16	03	30
" "	290	10	22	—	27	33	—
" "	320	4	11	—	—	55	—
" "	250	2	—	—	—	—	—
" "	380	1	—	—	—	—	—
LNR (USP 87)	80	2	10	15	2	0½	6
" "	20	0½	7	8	5	2	11
" "	100	0¾	5	4	14	16	12
P & O (USP 148)	100	31	31	—	0¼	1	—
" "	110	41	41	—	0½	2	—
" "	120	51	01	32	1	2	4
" "	130	21	23	25	1½	4	7
" "	140	13	12	12	3	8	13
" "	160	4	7	12	10	20	22
RCL (USP 494)	420	77	84	92	2	6	12
" "	460	40	59	64	6	14	22
" "	500	14	28	37	22	27	37
" "	550	0	10	—	62	65	—
" "	500	1	2	—	112	112	—
" "	650	1	—	—	102	—	—
RTZ (USP 581)	090	184	—	—	1	—	—
" "	420	164	165	—	2	—	—
" "	420	124	188	—	2	5	—
" "	500	84	94	107	2	10	20
" "	850	32	52	70	10	23	32
VRF (USP $116)	70	—	—	—	1	—	—
" "	80	—	—	—	1	—	—
" "	90	28	21½	53½	1½	0	6
" "	100	19	23	24½	2½	0½	9
" "	110	11	16½	19½	5	8½	12½
" "	120	6½	11½	14½	8½	13	17½
" "	100	3	8	10	15½	—	23
" "	140	1½	6½	7	—	—	—

Option		CALLS June	CALLS Sept.	CALLS Dec.	PUTS June	PUTS Sept.	PUTS Dec.
BHM (UOP 408)	360	53	62	70	4	8	2
" "	380	33	47	50	12	18	20
" "	430	12	23	30	25	33	37
GKN (USP 156)	160	8	12	92	10	12	15
" "	180	3	7	13	06	28	31

Apr. 14 Total Contracts 2,634 Calls 0,230 Puts 085

INSURANCE & OVERSEAS MANAGED FUNDS

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511.

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179

Equity	215.1	222.1	+6.4	—
Fixed Interest	158.5	164.2	+2.4	—
Property	161.3	166.1	+0.7	—
Deposit	138.5	138.5	.....	—
Mixed	183.3	187.1	+3.6	—
Indexed Stk.	114.2	114.7	+0.9	—

London Life Managed Funds Ltd.

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU. 01-680 0606

Property Fund		282.8	—	—
Property Fund (A)		275.5	—	—
Agricultural Fund		1064.5	—	—
Agric. Fund (A)		1030.2	—	—
Abbey Nat. Fund		294.8	—	—
Abbey Nat. Fd (A)		273.2	—	—
Investment Fund		131.8	—	—
Investment Fund (A)		130.0	—	—
Equity Fund		401.5	—	—
Equity Fund (A)		394.7	—	—
Money Fund		208.7	—	—
Money Fund (A)		205.1	—	—
Actuarial Fund		206.4	—	—
Gilt-edged Fund		186.4	-0.4	—
Gilt-Edged Fd. (A)		186.4	-0.4	—
Retire Annuity		345.0	—	—
Immed. Ann'ty		194.0	—	—
International Fd.	238.2		+3.4	—

Standard Life Assurance Company
3 George St., Edinburgh EH2 2XZ 031-225 2552.

Managed	192.8	203.0	-0.2	—
Property	144.5	152.2		—
Equity	219.6	231.3	-0.1	—
International	203.4	218.2	+0.9	—
Fixed Interest	161.8	170.4	-1.0	—
Index Linked	103.5	109.0	-0.1	—
Cash	127.1	133.8		—
Pension Managed	220.6	232.3	-0.2	—
Pension Property	145.3	153.0		—
Pension Equity	252.7	266.0	-0.2	—
Pension Intl.	238.4	251.0	+1.2	—
Pension Fxd. Int.	168.5	177.4	-0.8	—
Pension Index Linked	104.8	110.4	-0.2	—
Pension Cash	140.8	148.3		—

Sun Alliance Insurance Group
Sun Alliance House, Horsham 0403 64141

Barclays Unicorn International
2, Charing Cross, St. Helier, Jersey. 0534 73741

Unicorn Trust	45.3	47.2		11.30
Unidollar Trust	$10.76	15.82		2.00
Unibond Trust	$95.63	96.37		10.70

1, Thomas St., Douglas, Isle of Man. 0624 23252.

Bishopsgate Commodity Ser. Ltd.
P.O. Box 42, Douglas, I.o.M. 0624-23911

Bridge Management Ltd.
GPO Box 590, Hong Kong

Britannia Intl. Investment Mngmt. Ltd.

OFFSHORE AND OVERSEAS

INTERNATIONAL CAPITAL MARKETS

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. The following are closing prices for April 14.

U.S. DOLLAR STRAIGHTS [illegible]

DEUTSCHE MARK STRAIGHTS [illegible]

SWISS FRANC STRAIGHTS [illegible]

YEN STRAIGHTS [illegible]

OTHER STRAIGHTS [illegible]

FLOATING RATE NOTES [illegible]

CONVERTIBLE BONDS [illegible]

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EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

DM 1.67bn calendar fixed

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

WEST GERMAN banks yesterday set a DM 1.67bn programme for new foreign bond issues and private placements between now and May 20.

The amount is slightly larger than April's DM 1.65bn calendar but the bonds will be issued over a five week period rather than four weeks. Next week will see no new issues in the German market to allow time for it to absorb existing new paper.

The calendar got off to an immediate start yesterday, however, with a DM 100m, five year 7 per cent bond priced at 99 for Canadian Imperial Bank of Commerce. This is the borrower's first foray into the German market and the paper was quoted at a discount of ¾ points last night by the lead manager, Commerzbank.

Today will see the return of a regular visitor to the market when Austria launches a DM 100m private placement through DG Bank. Other borrowers in the 14 issue calendar include relatively few top class corporate names, with the emphasis tending towards supranationals such as the European Investment Bank (DM 200m) and Asian Development Bank (DM 100m), sovereign countries such as Malaysia (DM 100m) and Finland (DM 150m), and state sector entities such as South African Transport Systems, Spanish Telephones and Anas, the Italian motorway authority, with DM 100m apiece.

D-Mark issues showed little initial reaction to the calendar yesterday with prices closing unchanged to slightly lower in fairly quiet trading.

In the dollar sector Fuji Bank launched a $100m, seven year 10⅞ per cent bond at par through Kleinwort Benson and Fuji International Finance. This is the largest bond for a Japanese commercial bank and will be subject to an interest swap so that the borrower, which is technically the bank's Hong Kong subsidiary, will end up with cheap floating rate debt.

WEEKLY U.S. BOND YIELDS (%)

	April 13	April 6	1982–83 High	1982–83 Low
Composite Corp. AAA	11.05	11.21	14.88	10.83
Composite Corp. AA	11.24	11.44	15.24	11.18
Government:				
Long-term	10.41	10.46	14.02	10.18
Intermediate	10.06	10.14	14.24	9.91
Short-term	9.55	9.66	14.52	9.23
Municipal	n/a	9.13	12.62	8.92
Industrials AAA	10.90	11.01	14.40	10.85
Industrials AA	11.14	11.31	14.79	10.96
Utilities AAA	11.20	11.40	15.27	11.11
Utilities AA	11.35	11.58	15.80	11.35
Preferred Stocks	10.86	10.76	13.35	10.71

Source: Standard & Poor's

SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Friday April 15 1983

How grain farmers muddle through Euro-maze, Page 41

WALL STREET

Gains seep through as results flow

A MORE cautious mood prevailed on U.S. financial markets yesterday, as credit sectors faced an important tax date for payments today, while the share markets were busy absorbing the substantial gains of the previous trading session and also bracing themselves for another batch of trading statements from leading companies, *writes Terry Byland in New York.*

Shares edged higher again at first but once the list of overnight buying orders had been completed, prices began to drift down as the market waited for the day's developments. At 3pm the Dow Jones industrial average was up 0.67 at 1157.31

The clarion call came from IBM, currently the market's favourite stock, which announced a glittering set of first quarter results, featuring a 44 per cent gain in sales and a 24 per cent increase in net income.

Its stock has been heavily bought over the past fortnight, but IBM's results fully bore out the market's confidence that the group was leading the U.S. business recovery, and it moved up ½ to $106⅞.

Motor industry shares continued to move higher in response to sales figures. General Motors, at $62¾, gained a further $⅛. Ford also jumped $⅞ to $43½ following the disclosure by Mr Philip Caldwell, its chairman, that the company had achieved a profit on North American sales in the first quarter – the first since 1979.

Airlines issues, overlooked recently, attracted buyers again on the expectation that the revival in U.S. business will show itself in an upturn in passenger traffic.

Pan American put on $⅛ to $4⅞ and Trans World at $36⅝ was in demand again.

The block trading desks also had another busy session, with substantial deals in Ford, GM, American Motors, International Paper, AT & T, and Texas utilities.

Amercian Express moved up $½ to $66⅞ on higher first quarter profits. Others responding to similar factors included Georgia Pacific, $¼ up at $26½; McGraw Hill, $2½ higher at $94½; and North American Philips, $¼ up at $61¼.

A turnround into profit in the second quarter left shares in Mobile Homes unchanged at $8¾. Joy Manufacturing slipped $¼ to $23¼ after disclosing lower earnings in the same period. Mead, the paper group, was another to remain unchanged at $24 despite the announcement of a loss of $12m in the opening quarter.

In the financial sector, Bank of New York added $1¼ to $56¾ after announcing higher profits. Great Western Financial, one of the largest savings and loan groups, was unchanged at $26½ after a return to profit in the first quarter.

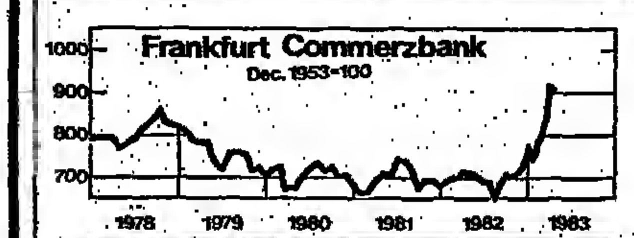
Yields in credit markets were generally easier at first in accord with the relaxing of money supply pressures and Federal Reserve policies. The expectation that today's tax payments will bring fresh calls for credit was balanced by the general belief that the Fed will make reserves available.

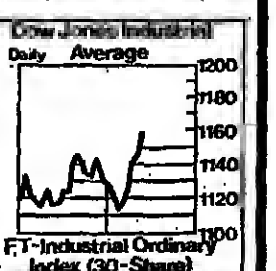
Treasury bill rates showed falls of several basis points. Three-month bills stood at a discount of 8.18 per cent and six-month at 8.25 per cent. Bonds opened higher but drifted down as Fed Funds traded up at 8⅝ per cent. The benchmark long bond at 99¹⁵⁄₃₂ showed little change on overnight.

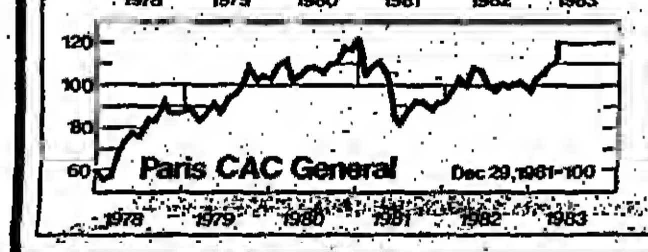
In municipals, prices rallied on news of a settlement of problems concerning the $2.25bn Washington Public Power Supply System bonds. Corporate bonds edged higher on a slight slackening in the weight of impending issues.

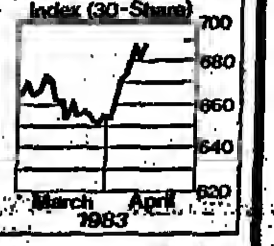
Golds more then compensated for Wednesday's Toronto weakness and far outpaced base metals and other sectors in a market broadly stronger. Montreal showed more muted but evenly spread gains.

KEY MARKET MONITORS









STOCK MARKET INDICES

	Apr 14	Previous	Year ago
NEW YORK			
DJ Industrials	1157.31	1156.64	838.09
DJ Transport	522.63	514.93	346.37
DJ Utilities	125.37	125.42	112.07
S&P Composite	156.61*	156.77	115.83
LONDON			
FT Ind Ord	688.9	687.1	544.8
FT-A All-share	435.70	428.22	314.23
FT-A 500	473.96	466.55	337.72
FT-A Ind	438.75	431.64	307.66
FT Gold mines	640.6	622.3	266.9
FT Govt secs	82.11	82.24	66.59
TOKYO			
Nikkei-Dow	8554.21	8480.44	7181.53
Tokyo SE	619.58	613.35	528.06
AUSTRALIA			
All Ord.	564.7	561.9	472.1
Metals & Mins.	519.7	518.9	335.4
AUSTRIA			
Credit Aktien	53.99	53.89	52.66
BELGIUM			
Belgian SE	121.23	121.49	100.08
CANADA			
Toronto Composite	2219.9*	2207.5	1630.2
Montreal Industrials	376.30*	375.48	293.39
Combined	370.12*	368.79	277.60
DENMARK			
Copenhagen SE	n/a	139.16	95.05
FRANCE			
CAC Gen	n/a	120.7	104.9
Ind. Tendance	126.5	126.6	114.5
WEST GERMANY			
FAZ-Aktien	303.52	298.74	237.40
Commerzbank	910.5	896.5	724.6
HONG KONG			
Heng Seng	1067.36	1056.44	1203.81
ITALY			
Banca Comm.	201.87	201.62	191.57
NETHERLANDS			
ANP-CBS Gen	128.4	130.0	92.0
ANP-CBS Ind	107.4	108.5	73.1
NORWAY			
Oslo SE	165.68	166.60	101.78
SINGAPORE			
Straits Times	891.15	889.21	745.24
SOUTH AFRICA			
Golds	887.7	866.5	446.0
Industrials	869.7	859.6	590.9
SPAIN			
Madrid SE	115.84	118.08	124.17
SWEDEN			
J & P	1287.92	1272.44	559.41
SWITZERLAND			
Swiss Bank Ind	316.1	316.1	283.4
WORLD	Apr 13	Prev	Yr ago
Capital Int'l	170.7	170.0	133.0

GOLD (per ounce)

	April 14	Prev
London	$436.00	$429.50
Frankfurt	$435.50	$429.25
Zürich	$435.50	$429.50
Paris (fixing)	$437.71	$430.13
New York (April)	$433.50*	$432.50

* Indicates latest pre-close figure

CURRENCIES

	U.S. DOLLAR Apr 14	U.S. DOLLAR Previous	STERLING Apr 14	STERLING Previous
£	1.5405	1.5365	–	–
DM	2.4385	2.4380	3.75	3.75
Yen	238.25	238.3	367.25	366.5
FFr	7.31	7.3075	11.26	11.2225
SwFr	2.0490	2.0530	3.1575	3.1575
Guilder	2.7495	2.7465	4.2375	4.2225
Lira	1450.5	1450.5	2234	2228.5
BFr	48.59	48.52	74.85	74.55
C$	1.23325	1.2340	1.8990	1.8955

INTEREST RATES

	April 14	Prev
Euro-currencies (three month offered rate)		
£	10¼	10 5/16
SwFr	4 5/16	4 5/16
DM	5 1/16	5
FFr	13⅝	13⅝
FT London Interbank fixing (offered rate)		
3-month U.S.$	9⅝	9 11/16
6-month U.S.$	9½	9 7/16
U.S. Fed Funds	8⅝*	8½
U.S. 3-month CDs	8.80*	8.80
U.S. 3-month T-bills	8.17*	8.17

U.S. Treasury Bonds

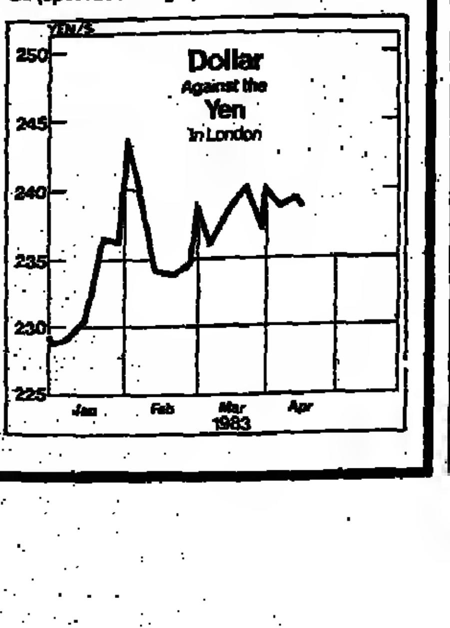
	April 14 Price	April 14 Yield	Prev Price	Prev Yield
9¼ 1985	100 6/32*	9.47*	100 7/32	9.49
10½ 1990	101 12/32*	10.23*	101 [illegible]/32	10.26
10⅜ 1993	103 [illegible]/32*	10.33*	103 [illegible]/32	10.36
10⅜ 2012	99 [illegible]/32*	10.41*	98 [illegible]/32	10.43

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
June	77–31	78–06	77–28	77–30
U.S. Treasury Bills (IMM) $1m points of 100%				
June	91.85	91.93	91.83	91.85
Cert Deposit (IMM) $1m points of 100%				
June	91.15	91.22	91.12	91.16
LONDON				
Three-month Eurodollar $1m points of 100%				
June	90.88	90.90	90.84	90.86
20-year Notional Gilt £50,000 32nds of 100%				
June	106–00	106–02	105–20	106–06

LONDON COMMODITY MARKETS

	April 14	Prev
Silver (spot fixing)	758.65p	727p
Copper (cash)	£1068.50	£1067
Coffee (May)	£1612.50	£1817
Oil (spot Arabian light)	$28.85	$28.80



LONDON

Shortest in supply are sought most

CUTS IN lending rates by UK banks failed to enliven London stock markets yesterday. The half-point reduction to 10 per cent had been well signposted and largely discounted in the recent strength of equity and gilt-edged markets.

Leading shares retained their basic firmness, reflecting the favourable economic pointers which have helped both London and New York in their rise to record levels. But investment support was highly selective and often concentrated on stocks thought, or known, to be in short supply. ICI was a prime example and rose 8p more to 428p.

Other outstanding constituents of the FT Industrial Ordinary Share index included Glaxo, Beecham and BTR. The strength of these more than offset numerous small falls among others and the index, after showing losses of around a point at earlier calculations, closed 1.8 up at a new peak of 688.9.

Gilt-edged investors were unimpressed by sterling's regained composure after Wednesday's late indecision. The new medium tap stock, £25 paid Treasury 10½ per cent 1989, did attract interest and closed first-time dealings at £25¼. Other gilts drifted back as soon as early demand had been satisfied and longer-dated issues settled ¼ down on balance.

Full-year profits well above the most optimistic market forecasts sent RTZ surging ahead to a year's high of 588p – a net gain of 43p – and lifted the 9½ per cent convertible by £8¾ to a 1982–3 peak of £128¼.

South African golds resumed their recent strong upward trend as renewed and sustained buying from Johannesburg and Europe enabled most issues to regain all and more of the ground lost on Wednesday. The strong bullion price – np $6½ at $436 – and a continuing stock shortage accentuated gains.

Comment on preliminary figures, combined with a revival of bid hopes, prompted active trading in Burmah Oil, which touched 179p before settling a shade lower with a rise of 9p at 177p.

Share information service, Pages 42–3.

AUSTRALIA

BHP buoyant

PROFIT-TAKING by some British investors failed to dissuade Sydney stocks in posting their 11th successive rise as key market indicators hit new highs for the year.

The All Ordinaries index added 3.2 to 561.5 and the industrials index gained 1.8 to 700.5.

BHP's announcement of good test results from its Whiting well in the Bass Strait sent it to a year's high of A$7.66, up 44 cents while unfavourable reaction to Pioneer Concrete's A$93m equity issue pared five cents to A$1.70.

Melbourne was generally easier, with BHP the only bright spot.

SOUTH AFRICA

Broad revival

THE RISE in the bullion price brought gains to heavyweight gold producers in Johannesburg, where Southvaal rose R2.75 to R71 while cheaper stocks such as Unisel, up 75 cents to R16.75, also benefited from the trend.

De Beers recovered recent losses to finish at R9.30, a rise of 20 cents; and Rustenburg Platinum put on 15 cents at R8.30.

Advances in industrials exceeded declines by five to one.

FAR EAST

Undeterred Tokyo renews rise

THE BANK of Japan's resistance to an early discount rate cut failed to deter Tokyo yesterday, which shook off a fortnight of consolidation and advanced to new peaks.

The shift in sentiment was reflected in a return to blue chips after miscellaneous low-priced issues appeared for the most part to have caught up with the leaders.

The Nikkei-Dow Jones market average surged 73.77 to 8,554.21, exceeding the record set on April 1. Volume remained active at some 470m shares, although down slightly from Wednesday's 500m. The stock exchange index added 6.23 to 819.58.

Electricals were again sought, as were technology stocks. Hitachi rose Y27 to Y797, Toshiba Y12 to Y335, Mitsubishi Electrical Y14 to Y379 and Matsushita Electrical Y60 to Y1,390.

Indications of revived steel production boosted Kawasaki Steel Y6 to Y160 and Mitsubishi Heavy Industries the same amount to Y225. Nippon Steel, the day's most active with 66.83m shares traded, moved up Y2 to Y174.

Vehicle stocks also benefited, with Toyota Y30 ahead at Y1,110, while Yamaha managed a Y4 gain to Y585 but later forecast a Y3.9bn recurrent deficit this half-year and plans to slash its dividend.

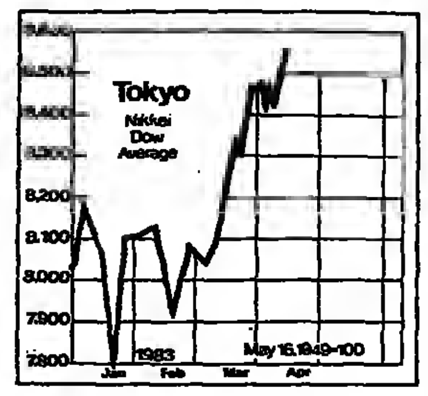
Government bonds had a mixed showing, with attention diverted to the equities.

An afternoon rebound in Hong Kong enabled the Hang Seng index to achieve a 1983 high of 1,067.36, up 10.92. Overseas fund managers were showing active interest on the expectaton that the local currency would soon recover against the U.S. dollar.

Properties were encouraged by hints that rent controls on luxury apartments might be eased. Hongkong Land and Cheung Kong added 10 cents apiece to a respective HK$4.60 and HK$10.30.

Late profit-taking trimmed Singapore gains to seldom more than a few cents. Fraser and Neave was a weak spot, shedding 10 cents to S$8.20. Shipyards were in demand.

Economic optimism took the Taiwan weighted index 6.43 up at 663.78, its highest since October 1978 and a rise of more than 250 in the past three months. Nan Ya Plastics advanced T$1.10 to T$24.40, Far East Textile 70 cents to T$15.90 and Wei Chuan Food 60 cents to T$20.



EUROPE

Inflation favours Frankfurt

A REBOUND in prices in Frankfurt cancelled many of the losses incurred earlier this week, taking the Commerzbank index 14 points higher at 910.5, while many other European bourses remained prone to selling pressure.

With the Statistics Office confirming inflation as slowing to an annual 3.5 per cent, stores were in demand. Karstadt surged DM 18 at DM 280 and Kaufhof added DM 3.3 to DM 243.8.

Engineering stocks were mixed, but blue chip electricals such as Siemens jumped DM 7.50 to DM 335. Small banks outperformed the nationals with BHF rising DM 9 to DM 273 and Bayerische Vereinsbank DM 8 to DM 345 compared with Dresdner's DM 4 rise to DM 170, Deutsche Bank's DM 2.50 to DM 320.50 and Commerzbank's DM 3.10 to DM 158.50.

Chemicals continued in demand and Bayer gained DM 2.70 to DM 149 despite the announcement of a substantial, but unspecified, dividend cut, whereas Hoechst bounced DM 3.60 higher to DM 147.6.

Public authority bonds shed up to 40 basis points in minimal turnover.

Profit-taking in Amsterdam forced some sharp price falls, with the general index 1.8 lower at 128.40. Local issues sustained the largest losses, but the internationals did not escape the fray.

Heineken dropped Fl 2 to Fl 139, Philips Fl 2.1 to Fl 46.4 and Unilever Fl 1.7 to Fl 219.5.

Domestic bond prices dropped by more than a half-point on fears of higher interest rates.

A week-long bull market in Paris ended yesterday with prices mixed in relatively active trading. Advances and declines were evenly matched, with the OECD forecast of lower economic growth and higher unemployment casting a shadow over events.

An early rally was reversed in Milan, leaving industrials mixed to higher, with Fiat ahead L70 at L2,972 and Olivetti shedding L45 to L2,855. Banks and holding companies were dull.

Zurich prices were firmer in active trading following Wall Street's gains, with some small losses reported. Dow Banking added SwFr 20 to SwFr 1,020, while Mövenpick moved SwFr 100 higher at SwFr 3,200.

A technical reaction to earlier gains forced Madrid sharply lower. Commercial banks plunged with Santander down Pta 7 whereas Vizcaya, Hispano Americano and Banesto each shed Pta 6.

Irregular and featureless trading in Brussels left the Belgian shares index down 0.26 at 121.23 but the all-share index gained 2.29 at 291.34 due to interest in foreign issues. Arbed improved BFr 50 to BFr 1,180 and Fabrique National shed BFr 35 to BFr 2,595.

Bond trading in Copenhagen is being suspended today to allow the Danish Securities Centre to deal with a backlog of registration built up since Wednesday, when the Government announced the lifting from next month of a four-year ban on bond sales to foreigners.

Prices at 3pm, April 14

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

B—B—B

C—C—C

D—D—D

E—E—E

F—F—F

G—G—G

H—H—H

I—I—I

J—J—J

K—K—K

L—L—L

M—M—M

N—N—N

Continued on Page 39

AMERICAN STOCK EXCHANGE COMPOSITE PRICES

Prices at 3pm, April 14

Continued on Page 40

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Continued from Page 38

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
21½	16¼	WUTl	pf2.56	12		1	20⅞	20⅞	20⅞	+ ¼
50⅝	23⅞	WestgE	1.80	4.1	9	2670	44½	43¾	44⅜	− ⅛
34	16½	Westvc	1.20	3.5	14	124	34	33¾	34	.
40¾	22½	Weyerh	1.30	3.4	43	3965	38⅞	38¼	38¼	− ⅛
62	30¾	Weyr	pf2.80	5.8		240	48½	48	48⅜	− ⅛
55	37⅞	Weyr	pr4.50	8.3		74	54	54	54	− ⅛
63	48⅛	WhelLE	5.75	9.2		z50	62¼	62⅛	62¼	− ¼
19⅝	12⅛	WhelPit				66	19⅝	19⅝	19½	.
45	33½	WhPit	pf 8	15		z140040		40	40	.
36	28	WhPit	pf 5	15.		z100	34	33¼	34	+ ¼
52½	27	Whirlpl	1.80	3.4	19	782	u53⅞	98	53½	+1

Continued on Page 40

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Arlen Elec	301	+28
Brown Boveri Kent	71	+5
Burmah Oil	177	+9
De Beers Defd	553	+13
ICI	428	+8
Minorco	755	+38
Pearl Assurance	633	+8
Randfontein	£102	+5½
RHM	54½	+5
Reed (Aust.) A	156	+16
RTZ	588	+43
UKO	73	−7

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Wed. close	Day's change
Burmah Oil	20	168	+4
NEI	19	104	+6
Lex Service	18	266	+18
Arlen Elec	18	275	+18
British Mohair	15	81	+4
Mallins	15	165	+10
Tate and Lyle	15	298	+10
ICI	14	420	+4
Lon & Liv Tst	14	386	−10
Royal Ins	14	522	+4
Babcock	13	160	−7
Debenhams	13	123	−2
Glaxo	13	832	−3
Sotheby's	12	520	−10

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (184)
INTL. BANK & OVERSEAS GOVERNMENT STERLING ISSUES (1)
AMERICANS (12)
CANADIANS (2)
BANKS (3)

NEW LOWS (13)
BUILDINGS (1)
AMEC
ELECTRICALS (1)
Lec Refrigeration
ENGINEERING (1)
Camseal Inc.
FOODS (6)
Bishop's Group, Bishop's Grp. A, Cullen's, Cullen's A, Home Farm, Kwik Save
INDUSTRIALS (2)
Rockware, Spong
TEXTILES (1)
Atkins Bros.
TRUSTS (1)
Anglo Int. Dev.

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Mar 28	Apr 15	June 30	July 11
Apr 18	Apr 29	July 14	July 25
May 3	May 13	July 28	Aug 8

For rate indications see end of Share Information Service

Money was given for the call of Polly Peck, Phoenix Assurance, Aitken Hume, Guinness Peat, Manchester Ship Canal, UKO International, London and Liverpool, Dunlop, Northern Foods, Fleet Holdings and Sumrie. No puts were reported, but double options were arranged in Premier Consolidated, J. Hepworth, Debenhams and Northern Foods.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

FIXED INTEREST

	PRICE INDICES	Thur April 14	Day's change %	Wed April 13
	British Government			
1	5 years	117.53	−0.02	117.64
2	5-15 years	129.87	−0.19	130.13
3	Over 15 years	140.73	−0.27	141.78
4	Irredeemables	152.48	−0.21	152.80
5	All Stocks	129.28	−0.17	129.60
6	Debentures and Loans	103.99	−0.12	104.12
7	Preference	80.52	+0.59	80.05

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

RISES AND FALLS

	Rises	Falls	Same
British Funds	6	70	23
Corpns. Dom. and Foreign Bonds	6	10	63
Industrials	346	228	758
Financial and Prop.	111	68	341
Oils	37	19	54
Plantations	6	2	13
Mines	90	10	53
Others	91	26	54
Totals	683	434	1,359

FINANCIAL TIMES STOCK INDICES

	April 14	April 13	April 12	April 11	April 8	April 7	year ago
Government Secs.	83.11	82.24	82.49	82.75	81.90	81.81	66.39
Fixed Interest	84.27	84.26	84.23	84.25	85.78	83.47	67.56
Industrial Ord.	688.9	687.1	687.7	683.9	675.0	672.2	544.8
Gold Mines	640.6	632.3	635.9	618.0	598.7	602.6	266.9
Ord. Div. Yield	4.61	4.64	4.64	4.68	4.66	4.68	6.75
Earnings, Yld.% (full)	8.54	9.40	8.59	9.45	9.48	8.61	11.48
P/E Ratio (net) (*)	13.02	12.93	12.96	12.90	12.84	12.80	10.90
Total bargains	26,167	23,274	24,304	26,361	27,745	27,336	15,615
Equity turnover £m.	—	933.75	254.73	811.16	302.94	357.0	119.17
Equity bargains	—	21,654	23,949	21,667	24,459	23,983	11,019
Shares traded (ml)	—	144.9	177.1	147.7	205.0	938.9	88.5

10 am 686.4. 11 am 685.8. Noon 686.0. 1 pm 686.0.
2 pm 685.3. 3 pm 686.9.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/55. SE Activity 1974.

Latest Index 01-246 8026.

Nil = 12.16.

†Correction.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	82.75 (11/4)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	84.27 (14/4)	79.03 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	688.9 (14/4)	598.4 (12/1)	688.9 (14/4/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	531.5 (29/3)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	April 13	April 12
—Daily		
Gilt Edged Bargains	152.1	165.1
Equities Bargains	140.3	155.1
Equities Value	472.5	514.9
5-day Avrge		
Gilt Edged Bargains	176.5	186.1
Equities Bargains	149.9	153.1
Equities Value	549.6	562.0

AMERICAN STOCK EXCHANGE PRICES

Continued from Page 39

NEW YORK PRICES

Continued from Page 39

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
		X—Y—Z								
13	8½	YankO			11	15	12¾	12½	12⅝	−⅛
14⅝	6	Zimer	s.10	.8	28	50	13	12	12¾	−⅛

Indices

U.S. INDICES: 2.30 PM VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

COMMODITIES AND AGRICULTURE

Futures watchdog plan to protect investors

BY JOHN EDWARDS, COMMODITIES EDITOR

THE FORMATION of a Futures Brokers' Association to help provide protection for private investors, is proposed in a discussion document issued last night by the joint exchanges committee, made up of representatives from the London commodity and financial futures markets.

The main function of the proposed association would be to run a compensation fund, but it would also seek to set a general code of conduct for members including the segregation of private clients' funds.

The discussion document notes that it has become clear that relations between the futures markets and the growing number of private clients requires attention. The idea is that the proposed Futures Brokers' Association will set standards for commodity and financial futures broadly similar to the protection for private clients in share dealings under the Prevention of Fraud Investment Act.

It points out that from April 28 under legislation introduced in Parliament, futures transactions by exchange members will be exempted from the Banking Act controls on deposit-taking. But brokers who do not join exchanges may be exposed to prosecution for the illegal taking of deposits.

Individual London exchanges could devise their own compensation funds, it adds, but brokers handling private clients' accounts tend to trade in a number of markets. So an umbrella organisation would be more effective.

The document suggests that the compensation fund could be financed by annual membership subscription or by a levy on turnover or on the number of the member's clients. Each member company would be required to take out and maintain an insurance policy to cover its commitment to the Futures Brokers' Association. Initially it is thought a single claim against the fund would be limited to £7,500—the current maximum allowed to a claimant under the Banking Act deposit protection scheme.

Additionally, it is proposed that access to the compensation fund and the segregation of accounts should by mandatory only for private clients, with trade and professional clients free to opt out if desired. The association would publish rules and codes of conduct for the handling of clients' business by members and also handle clients compleints.

It was emphasised that the committee's proposals still have to be put to the individual futures exchanges for approval and only when this has been obtained will full details be worked out.

Nevertheless, exchanges are to set up an effective self-regulation schema to avoid a Government-appointed organisation being creeted to oversee the industry. It is hoped that if a satisfactory self-regulation scheme can be agreed, it will be taken into consideration when Professor Gower issues his follow-up review on investor protection later this year.

Professor Gower has alreedy made it plain that he considers private investors in futures markets do need more protection.

Potato price guarantee pegged

UK POTATO growers were disappointed but not surprised yesterday when the Government announced that it was keeping the guaranteed price for the 1983 crop at £48.94 a tonne for the sixth year in succession.

Announcing this, Mr Peter Walker, the Agriculture Minister, said the Potato Marketing Board had again been asked to put 600,000 tonnes under contract so that they could be removed from the market if necessary. He said the contract price would go up by £2 over the 1982 level, taking it £7 on average above the guarantee price. This will increase the pressure on PMB finances, provided mainly from a producer levy.

● WORLD RICE production in 1982-83 is forecast at 409.4m tonnes (rough basis), up 1.3m tonnes from the March estimate, but below the 412.4m tonnes produced in the previous year, the U.S. Agriculture Department announced.

The revision results from larger crops in Indonesia and Australia. Increased imports by Brazil and Indonesia pointed to a further tightening of supplies, particularly for medium and high qualities, more than offsetting reduced Soviet import forecasts. High projected demand and reduced crops in several key exporting countries, pointed to a decline in rice stocks to 16.9m tonnes this year from 21.8m tonnes last June.

● THE UNITED STATES will probably move forward with a new long-term grain agreement with the Soviet Union, Mr John Block, U.S. Secretary of Agriculture, said yesterday in Washington during a question and answer session. Mr Block acknowledged that talks on a long-term pact remained suspended by President Reagan.

● A COFFEE INFORMATION Centre was formally opened yesterday at 21 Berners Street, London, next door to the International Coffee Organisation. Financed by producing countries as part of the general effort to promote coffee, the centre contains exhibition areas, testing facilities, a library and an information system.

FARMER'S VIEWPOINT

In a maze of Euro-muddling

ALTHOUGH I have sufficient storage on my farm to hold most of my cereals right through the winter, I have normally sold out by the end of the year, for the simple reason that I need the money and the storage incentives given seldom pay the interest on the overdrafts. Incentive though is hardly the right word. The price, particularly in a period of grain surplus, is mainly governed by that for intervention which rises by £1.51 per tonne monthly. This hardly covers the risks of vermin, loss in weight and so on.

In January this year the published futures price for physical grain showed that the pattern would be the same as usual with an April price for feed barley of £115 per tonne. I had, as it happened, kept a reserve stock of about 70 tonnes of barley to see me over the hungry months of early spring when the grass often refuses to grow. I have sold most of this at £130 per tonne.

During last year, I had also sold nearly 500 tonnes of breadmaking wheat into intervention at an ex-farm price of just under £124. This was not quite as good a deal as it might have been because, although it had been delivered in December after having been accepted the month before, I was not paid until early February and I could have got that price for it off the farm then.

If, however, I had held on to it until now, I would have been able to make the best part of £140 for it if it had been accepted for milling and close to that figure for it as feed during the two or three months before harvest in August. The GAFTA futures prices have shown roughly the same increases, but being an unsophisticated peasant I do not like dealing in imaginary transactions, so I did not cover myself.

What seems to have happened is that the EEC grain regime has done what it was designed to do. It maintained prices by means of intervention buying and export subsidies so creating a classically short market in cereals which is squeezing livestock farmers mercilessly as they buy their compound feeds.

Few cereal farmers have however, benefited from the bonanza. Until a couple of months ago the market was like a wet blanket, the harvest was said to be up by 11 per cent or over 2m tonnes and most hed burnt their fingers in the past storing their grain until spring. They also knew, or thought they did, that the vast stocks in intervention could threaten the balance of the market. I thought this assessment wrong.

This was because I never believed the harvest figures. It was certainly a good harvest, but like the curate's egg parts of it were better than others. For instance, from last July onwards there was a very strong demand for straw from West of England farmers which is unusual these days. My experience is that a shortage of straw indicates light yields. This was borne out by reports from the straw dealers. The fact that today the highest cereal prices are in the South and West just reinforces my original belief.

Also, in spite of the general euphoria about the harvest, there were not many substantiated record yields: but there were plenty of stories of disappointment in individual fields. I believe the increase to have been less than 2m tonnes, probably just over a million. You have to remember that there is no accurate way in which the harvest can be measured. Reports are based on hearsay and the Ministry—and particularly grain traders—tend to exaggerate yields.

Exports of wheat and barley until mid-March have totalled 3.97m tonnes, against 3.88m tonnes last year. Total exports last year amounted to 4.85m tonnes. This year, they are expected to reach 6.66m tonnes—a target which will be difficult to achieve.

The only visible stocks at the moment are in intervention stores, and total 1.31m tonnes of barley and breadmaking wheat against 320,000 tonnes at the same time last year. Just about a million tonnes in total more than last year, two-thirds of it barley. This will be available for the market but the pricing is based on the intervention price for the month in question plus 1 per cent plus a bonus for moisture content. This I understand puts the cost of barley ex-intervention store at at least £126 a tonne for April and that for breadmaking wheat at £137 a tonne.

The strength of the UK cereal market, plus the weakness of sterling has raised the costs of the so-called cereal substitutes—manioc etc—so that they are no longer such attractive buys and compounders are actively seeking cereals from intervention and the remaining stocks on farms, and compound prices are rising fast. This situation could not have come at a worse time for livestock farmers.

For this tale of muddle, for that is what it is, no single individual is to blame. It is the result of the constructive naiveté of those who compile British harvest statistics, of the cereal management committee in Brussels, which believed them and appears to have authorised too high a level of UK exports in the face of a substantial increase in intervention stocks.

JOHN CHERRINGTON

Peers praise British beef-eaters

BY RICHARD MOONEY

CONSUMERS in other EEC countries should be encouraged to eat more beef by the wider application of the deficiency payment system currently used only in Britain, a House of Lords report published today recommends.

The Lords select committee on the European Communities attributes steadier demand for beef in the UK to operation of this system under which market prices are made up to pre-set target levels.

It says conventional support arrangements operated by the Community, based on intervention buying and export subsidies, provide "too blunt an instrument" for preventing the build-up of surplus mountains of beef.

During the 1970s beef consumption in the EEC rose by only 6 per cent while production increased by nearly 21 per cent, the report says. But it comes to no definite conclusion on whether this was due to high prices or the inadequacy of good quality supplies. It notes, however, that beef's share of the UK meat market had remained more or less constant.

The committee recommends adoption of the UK-style variable slaughter premium throughout the Common Market "as a means of allowing greater play to market forces and thus encouraging the consumption of beef."

In view of the stated opposition to this system on the Continent, it says the first step should be an investigation into the administrative problems that would be faced in other Community members. It also accepts that intervention buying would have to continue to underpin the market, though at reduced price levels.

It criticises the use of export refunds to maintain Community prices

London copper holds firm

BY OUR COMMODITIES STAFF

COPPER PRICES ended an active day slightly higher on the London Metal Exchange yesterday. News of a tentative agreement being reached between Kennecott of the U.S., one of the world's biggest copper producers, and unions over a new three-year labour contract put the market under pressure initially. It rallied briefly on rumours, later denied, of the death of President Reagan.

After falling back again under heavy selling pressure in the afternoon values steadied near the close, encouraged by U.S. buying. Cash high grade copper ended t ehday at £1.50 up at £1,068.50 a tonne.

Final approval of a pact at Kennecott would remove one fundamentally bullish influence from the market, leaving hopes for economic recovery as the sole factor holding prices near the top of recent trading ranges, brokers said.

Warning on fish stocks

BY FAY GJESTER IN OSLO

STOCKS OF mature cod and haddock in the Norwegian Sea and the Barents Sea will fall sharply in 1984, and in the two succeeding years could drop to almost nothing, with very serious consequences for Norway's cod and haddock fisheries. This grim warning was given to Oslo this week by the Ocean Research Institute in Bergen.

Scientists there say the coming scarcity is the direct result of many years of over-fishing in the Barents Sea, coupled with climatic changes which held warm Atlantic currents further south than usual for six successive years. Last year, the seasonal currents—which bring fish spawn into North Norwegian waters—were back to normal. However, in the meantime a gap has developed

The Ministry of Fisheries already under pressure from Norwegian fisherman to lift catch restrictions, must now convince skippers that still toughere curbs are necessary.

PRICE CHANGES

In tonnes unless stated otherwise	Apr. 14 1983	+ or −	Month ago
Metals			
Aluminium	£880	......	£816/815
Free Mkt	$1548/1575	......	$1200/1250
Copper			
Cash h grade	£1068.5	+1.5	£1062.5
3 mths	£1096.5	−1.25	£1088.75
Cash Cathode	£1055	+8.5	£1033.5
3 months	£1076	+0.5	£1063.5
Gold troy oz	$436	+6.5	$415.5
Lead Cash	£295.5	−0.25	£292
3 months	£306.75	+0.375	£303.25
Nickel	£4835		£4612
Free mkt	210/240c	−10	255/265c
Palladium	$183.25	+0.25	$99
Platinum	£275.30	+6.10	£268.00
Quicksilver†	$300/320	−12.5	$330/340
Silver troy oz	758.65p	+31.85	706.85p
3 mths	775.40p	+32.40	724.60p
Tin cash	£9102.0	−12.5	£9012.5
3 months	£9076.5	−12	£9036
Tungsten	$81.18		$77.97
Wolfrm 22.04 lb	$89/93	−1	$86/88
Zinc Cash	£454.25	+9.75	£448.5
3 mths	£468.75	+9.5	£463.25
Producers	$750		$750

	Apr. 14 1983	+ or −	Month ago
Oils			
Coconut (Phil)	$590v		$480
Groundnut	$495w		$435
Linseed Crude	£322		‡
Palm Malayan	$420z	+0	$375
Seeds			
Copra Philip	$385y		$325
Soyabean (U.S.)	$258	+1	$243.5
Grains			
Barley Fut. Sep	£111.60	+0.10	£121.45
Maize	£148.00		£147.00
Wheat Fut. Jul	£136.50	−0.15	£135.50
No2 Hard Wint	‡		‡
Other commodities			
Cocoa ship't*	£1245	+0	£1293
Fut. July	£1226.5	+1	£1257.5
Coffee Ft. July	£1648.5	−10	£1832
Cotton A. Index	79.90c	−0.2	78.60c
Gas Oil May	$246.25	−2	$228.25
Rubber (kilo)	78.75p	+0.75	72p
Sugar (Raw)	£102w	−5	£104
Woolt'ps 64s	400p kilo		405p kilo

‡ Unquoted. z May. x June. y May-June. v April-June. w April-May. † Per 76-lb flask. * Ghana cocoa. c Nominal.

LONDON OIL SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.80-28.90	+0.95
Iranian Light	28.00-28.10	—
Arabian Heavy	26.35-26.40	−0.05
North Sea (Forties)	29.60-29.70	−0.10
North Sea (Brent)	29.90	−0.10
African (Bonny L'ht)	30.00	—
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	304-312	—
Gas oil	250-257	−3.0
Heavy fuel oil	164-166	−0.5

GAS OIL FUTURES

Having opened at the highs, the market then fell steadily in line with physicals until a steady New York opening fuelled a rally and arbitrage buying kept prices higher through the close, reports Premier Man.

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per tonne		
April	246.75	−2.00	249.50-45.50
May	246.25	−2.00	249.00-44.50
June	244.25	−0.75	246.00-41.50
July	244.25	−0.25	246.00-41.75
Aug	245.75	−0.75	248.50-43.50
Sept	246.50	−0.50	247.00-44.00
Oct	250.00	−0.50	249.50-47.25
Nov	253.25	−0.75	252.50-52.25
Dec	253.25	−0.75	254.00

Turnover: 3,404 (5,049) lots of 100 tonnes.

GOLD MARKETS

Gold rose $6½ to $435½-436½ in fairly quiet London bullion trading. It opened at $434-435 and traded between a low of $434-435 and a high of $437½-438½. The metal was fixed at $436½ in the morning and $435½ in the afternoon.

In Paris the 12½ kilo bar was fixed at FFr 103,000 per kilo ($437.71 per ounce) in the afternoon, compared with FFr 103,000 ($437.20) in the morning and FFr 100,650 on Wednesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 34,370 per kilo ($437.99 per ounce), against DM 33,510 ($430) and closed at $435-$436, compared with $428½-429½.

In Luxembourg the 12½ kilo bar was fixed at the equivalent of $436.75 per ounce, against $429.50 previously.

In Zurich gold finished at $434-437, compared with $428-$431.

LONDON FUTURES

Month	Yest'rday's close	+ or −	Business Done
	$ per troy ounce		
April	435.50-36.5	+6.100	437.50
May	437.50-38.2	+5.800	—
June	440.30-40.5	+6.200	442.80-38.5
July	442.50-44.5	+5.800	—
August	446.30-47.0	+4.850	—
Sept	450.00-51.0	+5.250	—
Oct	455.50-56.0	+5.850	455.00

Turnover: 626 (342) lots of 100 troy ounces.

	April 14		April 13	
Gold Bullion (fine ounce)				
Close	$435½-436½	(£283½-284¼)	$429-430	(£278¼-279¼)
Opening	$434-435	(£283-283¼)	$429½-430½	(£279-279¼)
Morning fixing	$436.25	(£284.480)	$428.75	(£278.012)
Afternoon fixing	$435.50	(£283.621)	$429.25	(£277.976)

Gold Coins Apr. 14					
Krugrnd	$448-449	(£290¾-291¼)	King Sov	$106-107½	(£68-70)
½ Krg	$238-239	(£154½-155)	Victoria Sov	$106-107½	(£69-70)
¼ Krg	$121.50-122.50	(£79-79½)	French 20s	$91¼-93¼	(£59¼-60½)
1/10 Krug	$50-51	(£32½-33)	50 pesos Mex	$537-539	(£348¼-349½)
Mapleleaf	$446½-447½	(£290-290½)	100 Cor. Aust	$422-425	(£274-276½)
New Sov	$102½-103½	(£66½-67)	$20 Eagles	$560-580	(£363¼-376¼)
½ New Sov	$61½-62½	(£40-40½)			

EUROPEAN MARKETS

ROTTERDAM, April 14.

Wheat—(U.S. $ per tonne): U.S. No. 2 Red Winter: April 159, May 159, June 158, July 156, Aug 158. U.S. No. 3 Amber Durum: April/May 190, May 190, June 189, July 187, Aug 187. U.S. No. 2 Northern Spring, 14 per cent: April 165.50, May 164.50, June 162, July 160.50, Aug 179. Canadian Western Red Spring: April/May 204.

Maize—(U.S. $ per tonne): U.S. No. 3 Yellow Spot, cif: Ghent 151, April 148, May 148, June 148.50, July/Sept 145, Oct/Dec 127.50, Jan/March 144 sellers.

Soyabeans—(U.S. $ per tonne): U.S. No. 2 Yellow, Gulfports: April 252, May 252.75, June 255.40, July 258, Aug 260.50, Sept 263.25, Oct 265.75, Nov 265.75, Dec 269, Jan 273.50, Feb 277.86, March 280.20 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent: April 220.50/221 traded: Afloat 224, April 221.50, May 221, May/Sept 223.50, Nov/March 242 sellers. Pellets Brazil: Afloat 229, April 226, May 227. April/Sept 229 sellers.

PARIS, April 14.

Cocoa—(FFr per 100 kg): May 1335/1340, July 1355 bid, Sept 1436/1437, Dec 1452/1459, Mar 1475 bid, May 1490 bid, July 1505 bid.

Sugar—(FFr per tonne): May 1575/1578, July 1645/1650, Aug 1655/1659, Oct 1695/1700, Nov 1700/1710, Dec 1760/1770, Mar 1890/1894, May 1955/1965.

BRITISH COMMODITY MARKETS

BASE METALS

BASE-METAL PRICES were erratic on the London Metal Exchange. Copper price fluctuated between £1,085 and £1,105 prior to closing at £1,092.5: three months, following rumours of an imminent settlement of the new labour contract at Kennecott. An apparent lowering of the buffer stock support level to £9,000 saw forward standard Tin dip to £9,030, after £9,000. Zinc moved up to £468 on chartist and computer buying but fell back on heavy speculation selling to close the late Kerb at £462.5.

COPPER

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −†
High Grade	£	£	£	£
Cash	1064-.5	−1.75	1068-9	+1.5
3 months	1092.5-3	−1	1096-7	+1.25
Settlem't	1064.5	−2	—	......
Cathodes				
Cash	1042-4	−3.5	1054-6	+6.5
3 months	1068.5-9	−5.25	1074-6	+.5
Settlem't	1044	−3.5	—	......
U.S. Prod.	—	......	*79-83	......

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,065, 64.5, three months £1,100, 1,101, 1,101.5, 1,100, 99.5, 99, 98.5, 98, 97, 5.0, 6, 4, 3, 4, 5, 4.5, 4, 3.5, 3, 2.5, 2, 2.5, 3. Cathodes: Cash £1,068. Kerb: Higher Grade: Three months £1,091, 90, 89, 88.5, 88, 87, 86, 86.5, 86, 90. Afternoon: Higher Grade: Three months £1,089, 90, 92, 93, 92, 91, 92, 92.50, 98, 97, 96.50, 96, 97. Kerb: Higher Grade: Three months £1,094, 93.50, 93, 92, 91, 92, 93, 94, 92.50, 92. Turnover: 47,200 tonnes.

TIN

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −†
High Grade	£	£	£	£
Cash	9060-5	−22.5	9100-5	−12.5
3 months	9050-5	−15	9075-6	−12
Settlem't	9065	−25	—	......
Standard				
Cash	9060-5	−22.5	9150-5	−12.5
3 months	9050-0	−15	9075-6	−12
Settlem't	9065	−25	—	......
Straits E.	$31.83	+0.05	—	......
New York				

Tin—Morning: Standard: Cash £9,060, three months £9,120, 30, 60. Standard: Kerb: Three months £9,065, 9,060, 70, 80, 85. Afternoon: Standard: Three months £9,075, 80, 60, 70, 80, 75, 70. Kerb: Standard: Three months £9,060, 10, 9,000, 10, 50, 40, 30, 35, 40, 20, 30, 20, 10, 20, 30, 45, 40, 41, 20, 40, 50, 40, 30. Turnover: 5,170 tonnes.

LEAD

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Cash	293.5-4	−1.5	295-6	+.25
3 months	305-.5	−.875	306.5-7	+.375
Settlem't	294	−1.5	—	......
U.S. Spot	—	......	—	......

Lead—Morning: Cash £294, three months £306, 07, 06, 05. Kerb: Three months £305.5, 306. Afternoon: Three months £307. Kerb: Three months £306.50, 06. Turnover: 8,675 tonnes.

ZINC

ZINC	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Cash	449.5-50.5	+4.5	454-.0	+8.25
3 months	464.5-5	+4.25	468.5	+9.5
Settlem't	450.0	+4.5	—	......
Primw'ts	—	......	*40-.75	......

Zinc—Morning: Three months £464, 63, 64, 64.5. Kerb: Three months £64.5, 65. Afternoon: Three months £467, 68, 69, 68. Kerb: Three months £464, 63. Turnover: 1,300 tonnes.

ALUMINIUM

Aluminium	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Spot	883-.5	+7	881.5-2.5	+5
3 months	909.5-10	+0.5	908-9	+5.25

Aluminium—Morning: Cash £883.5, three months £911, 11.5, 12, 10, 9, 10. Kerb: Three months £910, 9.5, 09. Afternoon: Three months £909, 08, 09. Kerb: Three months £907, 08. Turnover: 30,425 tonnes.

NICKEL

Nickel — Morning: Three months £3,165, 50, 55, 90, 55, 60, 55. Afternoon: Three months £3,155, 60, 55, 50. Kerb: Three months £3,145, 40.

NICKEL	a.m. Official	+ or −	p.m. Unofficial	+ or −†
Spot	3062-7	+58.2	3057-62	−46.3
3 months	3155-7	+61	3150-2	−34

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

LME — Turnover: 167 (96) lots of 10,000 ozs. Morning: Three months 777, 7.5, 8, 8.5, 8.3, 8. Kerb: three months 775. Afternoon: three months 778.5, 75.0, 74.0, 73.5, 74.0. Kerb: three months 773.0, 74.0, 73.5, 73.0.

SILVER per troy oz.	Bullion fixing price	+ or −	L.M.E. p.m. Unofficial	+ or −
Spot	758.65p	+31.85	756.50p	+31.2
3 months	775.40p	+32.4	773.75p	+31.7
6 months	794.10p	+31.9	—	—
12 months	831.00p	+32.3	—	—

Silver was fixed 31.65p an ounce higher for spot delivery in the London bullion market yesterday at 758.65p. U.S. equivalents of the fixing levels were: spot $11.638, up 41.7c: three-months $11.891, up 43c: six-months $12.158, up 41.7c: and 12-months $12.717, up 43.1c. The metal opened at 751-753p ($11.53-$11.57) and closed at 755-757p ($11.60-$11.64).

COCOA

Opening at the dose about £20 higher futures then failed to advance further and drifted lower to close at unchanged levels. In the physical market only minimal activity was noted, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or +	Business Done
	£ per tonne		
May	1209-10	+0.0	1225-07
July	1226-27	+1.0	1245-26
Sept	1239-40	+3.0	1267-39
Dec	1253-54	+5.0	1279-51
March	1260-62	+4.0	1297-81
May	1296-98	+6.0	1300
July	1306-10	+8.0	1320-10

Sales: 4,179 (3,609) lots of 10 tonnes.

ICCO—Daily price for April 13: 81.37 (80.33). Indicator prices for April 14: 80.84 (80.92).

COFFEE

In a market lacking any fresh incentive, commission house selling emerged as the main feature on a weak close, reports Drexel Burnham Lambert.

COFFEE	Yest'day's Close	+ or −	Business Done
May	1510-10	−4.5	1528-10
July	1548-49	−10.0	1659-45
Sept.	1586-87	−10.0	1609-85
Nov	1535-40	−21.5	1567-50
January	1499-05	−22.5	1525-97
March	1462-80	−24.5	1497-70
May	1455-62	−10.0	1477-62

Sales: 2,658 (2,857) lots of 5 tonnes.

ICO indicator prices for April 13 (U.S. cents per pound): Comp. daily 1979 122.35 (122.40); 15-day average 122.90 (122.92).

GRAINS

Old crops opened down on shipper offering and new crop were unchanged. Shippers generally sold May and July wheat before merchants rallied it slightly. In the afternoon shippers pushed new crop wheat to the highs and the market was very firm, reports Acli.

WHEAT			BARLEY	
Mnth.	Yesterd'ys close	+ or −	Yest'd'ys close	+ or −
May	136.00	−0.75	122.25	−0.35
July	136.00	−0.35		
Sep	118.20	+0.30	111.60	+0.10
Nov	120.90	+0.40	114.90	+0.15
Jan	123.90	+0.35	118.00	+0.20
May	128.90	−0.45	120.80	+0.16

Business done—Wheat: May 135.50-4.90, July 136.95-5.80, Sept 118.00-7.90, Nov 120.90-20.50, Jan 123.90-3.55, Mar 126.90-6.65. Sales: 261 lots of 100 tonnes. Barley: May 122.55-2.20, Sept 111.65-1.45, Nov 114.95-4.75, Jan 118.00-7.75, Mar untraded. Sales: 57 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent May 131.25, June 130.25, July 129.25, July/Aug 128.50, Sept 128.25 transhipment east coast sellers. English feed fob May 140, Sept 122 east coast sellers. Maize: French April 148 transhipment east coast seller. Barley: English feed fob April 128, May 129, Aug 111.50, Sept 113.75, Oct/Dec 116.50 east coast. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: S. East 127.30, W.Mids 124.80, N.West 125.00. The UK monetary coefficient for the week beginning Monday April 18 is expected to change to 0.950.

POTATOES

The market was quiet apart from heavy selling of May at the opening which led to lower prices, reports Coley and Harper.

Month	Yesterd'y close	Previous close	Business Done
	£ per tonne		
April	57.00	51.00	58.00-47.80
May	68.00	58.80	68.00
Nov	75.50	68.80	—
Feb	85.40	75.60	86.50-84.60
April	94.80	87.20	95.00

Turnover: 210 (676) lots of 40 tonnes.

RUBBER

The physical market opened easier, attracted some covering at the lower levels and closed quietly steady. Lewis and Peat reported a May fob price for No. 1 RSS in Kuala Lumpur of 264.5 (265.5) cents a kg and SMR 20 236.0 (237.0).

No. 1 R.S.S.	Yesterdy's close	Previous close	Business Done
	£ per tonne		
May	792-805	780-800	—
June	793-805	787-790	—
Jly-Sept	801-809	791-792	801-795
Oct-Dec	801-803	790-792	801-790
Jan-Mch	817-819	805-808	809
Apl-Jne	834-830	820-828	827-825
Jly-Sept	852-856	836-850	847-846
Oct-Dec	870-875	850-868	865-864
Jan-Mch	889-895	870-888	883-881

Sales: 226 (417) lots of 15 tonnes: oil (nil) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 78.75p (78.00p); May 78.50p (78.00p); June 79.25p (78.75p).

SOYABEAN MEAL

The market opened £1 higher, reports T. G. Roddick. Prices moved higher on trade buying before commission house selling eased the market.

	Yesterdy's close	+ or −	Business Done
	£ per tonne		
April	150.10-51.5	−1.20	—
June	147.80-48.5	+0.55	149.00-48.00
August	149.00-49.2	+0.25	150.00
October	154.00-54.5	−0.05	154.00
Dec	156.00-61.8	+0.25	161.00
Feb	164.50-65.5	−0.15	—
April	165.10-66.5	−0.58	—

Sales: 88 (70) lots of 100 tonnes.

SOYABEAN OIL—The market opened mixed and trade buying kept values steady. Close (U.S. $ per tonne): April 400.00, 440.00, untraded: June 435.00, 438.00, 436.00-432.00: Aug 444.00, 448.00, 446.00: Oct 453.00, 461.00, n/t; Dec 454.00, 475.00, 463.00: Feb 475.00, 490.00, u/t: April 487.00, 513.00, n/t. Sales: 35 (0) lots of 25 tonnes.

SUGAR

LONDON DAILY SUGAR—Raw sugar £102 (£107) a tonne cif April-May shipment. White sugar £140 (same).

The market was disappointed by the level of bids received by San Domingo on Wednesday. Prices fluctuated irregularly within a narrow range, reports C. Czarnikow.

No. 4 Contract	Yesterday close	Previous close	Business done
	£ per tonne		
May	115.25-15.40	115.75-15.85	116.50-14.50
Aug	125.80-25.95	126.10-26.20	126.35-24.50
Oct	132.85-32.95	133.60-33.70	134.00-32.00
Dec	138.80-39.00	139.85-39.50	139.75-38.75
March	147.10-47.25	147.75-47.95	147.75-47.25
May	151.00-51.05	151.70-52.00	152.25

Sales: 5,268 (4,350) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £405.90 (same) a tonne for home trade and £207.00 (£210.50) for export.

(International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for April 13: Daily prices 8.20 (6.53); 15-day average 6.45 (same).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg: May 574.0, 575.0, 575.0-570.0; July 593.5, 595.0, 593.0-590.0; Oct 579.5, 580.0, 580.3-579.6; Dec 589.5, 589.8, 590.0-589.0; March 613.0, 616.0, 613.0-610.0 May 622.0, 625.0, 622.0-620.0; July 635.0, 637.0, 635.0-632.0; Oct 620.0, 635.0, untraded. Sales: 164.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. May 419, buyer, 418-415; Aug 436, 441, 436-431; Oct 437, 439, 439-436; Dec 443, 448, 447-443; Jan 444, 448, 448-445; March 458, 458, 458-454; May 460, 465, 468-463; Aug 465, 472, 476-470; Oct 475, 480, 479. Sales: 263

COTTON

LIVERPOOL—Spot and shipment sales amounted to 259 tonnes. Spinners were looking for supplies to maintain their ability to keep output moving in the next few months. Attention was centred on Russian and Turkish varieties, with steady support in other Middle Eastern styles.

INDICES

FINANCIAL TIMES

Apr. 13	Apr. 12	M'th ago	Y'ar ago
271.65	270.41	269.14	245.50

(Base: July 1 1952=100)

REUTERS

Apr. 14	Apr. 13	M'th ago	Y'ar ago
1745.9	1750.6	1710.0	1614.8

(Base: September 18 1931=100)

MOODY'S

Apr. 13	Apr. 12	M'th ago	Y'ar ago
1039.4	1039.5	1033.4	1008.9

(December 31 1931=100)

DOW JONES

Dow Jones	Apr. 13	Apr. 12	Month ago	Year ago
Spot	139.93	139.76	136.74	128.17
Fut'rs	144.53	144.06	141.48	132.72

(Base: December 31 1974=100)

MEAT/FISH

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 76.0 to 81.5: English hindquarters 95.0 to 98.8 forequarters 51.3 to 55.8. Veal: Dutch hinds and ends 128.0 to 132.0. Lamb: English small (new season) 113.0 to 116.0, medium (new season) 110.0 to 14.5, heavy (new season) 104.5 to 10.0; Imported: New Zealand PL (new season) 62.0 to 63.5, PM (new season) 61.0 to 62.0, PX (new season) 48.0. Sheep: English 80.0 to 98.0; Scottish 78.0 to 94.0. Pork: English under 100 lb 38.0 to 50.0, 100-120 lb 42.0 to 48.0, 120-160 lb 34.5 to 44.0.

MEAT COMMISSION — Average fatstock prices at representative markets. GB—Cattle 94.86p per kg lw (−0.85). GB—Sheep 214.58p per kg est dcw (−5.06). GB—Pigs 65.86p per kg lw (−2.07).

GRIMSBY FISH—Supply moderate, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £5.00-£7.00, codling £3.50-£5.00; large haddock £4.80-£5.00, medium £4.40-£4.80, small £2.40-£3.20; large plaice £3.80, medium £3.00-£3.80, best small £3.80-£4.70; skinned dogfish (medium) £8.50; lemon sole (medium) £8.50, (small) £4.00; rockfish £2.00-£2.80; saithe £2.00-£2.50.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported produce: Topaz—Jaffa: 4.30 5.60. Ortaniques—Jamaican: large boxes 9.00. Karns—Spania: 5.40 6.00. Tangoro—Jaffa: 6.00 6.80. Oranges—Spania: navels 5.00 5.00; Jaffa: shamouti 40 5.50, 50 5.80, 58 5.35, 75 5.55, 88 5.65, 105 5.40, 123 5.40, 144 6.00, 168 5.70; Valencia lates 40 5.50, 50 5.80, 60 6.45, 75 6.65, 88 6.75, 105 5.40, 123 5.40, 133 6.00, 168 4.80; Morocco: valencia lates 5.60 6.40; Cyprus: valencia lates 5.00 5.20. Lemons—Cyprus: 8-kg 2.80 3.60; Spania: tray 5-kg 25/50 1.40 1.80; Jaffa: carton 3.00 6.00. Grapefruit—Cyprus: 23/58 2.90 4.00, ruby 32/48 6.00 5.80; Jaffa: 27 4.50; 32 4.65, 36 4.95, 40 5.20, 48 6.20, 56 4.75, 64 4.60, 70 4.50, 88 4.35; U.S.: ruby 6.50, 8.00 according to size. Apples—New Zealand: Cox's 12.50 13.00; Cape: 18-kg Golden delicious 8.50 10.50, starking 8.00 9.50; U.S.: red delicious 11.50 14.00; Chilean: Granny Smith 18-kg 8.50 8.50, red king 8.50 9.50; French: 18-kg Golden delicious 5.00 0.60, starkcrimson 4.00 6.00, Granny Smith 0.00 8.60; Italian: Golden delicious 18-kg 4.50-4.60, Granny Smith 9-kg 2.80 3.20. Pears—Cape: 33-lb Packhams 8.00 8.50, Beurre Bosc 7.50 8.50, Comice 33-lb 8.50 9.50, trays 8-lb 3.50; Chilean: Packhams 28-lb 7.00 7.70; Dutch: Conference 15-kg 7.70; Italian: Passacrassana 12/14-lb, per lb 0.12 0.18. Grapes—Cape: Barlinka 5.00, Waltham Cross 5.30 5.50, New Cross 6.00; Chilean: Thompson 11-lb 5.00 6.50, Ribier 11-lb 5.00. Strawberries—Israeli: 8-oz 0.60; U.S.: 12-oz 1.20 1.30; Spanish: 8-oz 0.30 0.45. Melons—Brazilian: yellow 10-kg 7.00 11.00; Chilean: 15-kg white 8.50 10.50, green 8.00 12.50. Pineapples—Ivory Coast: 20's 0.80, 12'C 0.65, 12'S 1.00, 6's 1.40; Ghanaian: each 0.90 1.20 according to size; Kenyan: 0's 1.20-1.80; Cape: 5/9's 6.00 7.00. Bananas: Colombian: 40-lb boxes 10.30 10.60. Avocados—Israeli: 4.00 5.00; South African: 4.80 0.00. Paw Paws—Brazilian: 8.50 7.50. Kiwifruit—U.S.: 11.00 12.00. Asparagus—U.S. per lb 1.80 2.00; Spanish: per lb 1.00 1.20. Fennel—Italian: 20-15 6.00. Mangoes—Mexican: box 9.00; Kenyan: box 8.00; Mali: box 8.00 7.00. Tomatoes—Canary: 3.50-5.20; Dutch: Tray 6.00-6.20. Celery—Spanish: 4.50-5.50; Italian: 6.00-6.50; Israeli: 8.00; U.S.: 9.00. Aubergines—Canary: 5 kg 4.00-4.50; Dutch: 5 kg 0.00-8.50; Italian: 4 kg 4.50-5.00. Onions—U.S.: 7.20-7.40; Dutch: 2.50-4.00; Canadian: 5.60-5.80; Polish: 3.00. Capsicums—Dutch: yellow 12.50, green 9.50, red 10.00; Canadian: green 7.50-8.00. Cabbage—Dutch: red 3.00-3.20, white 2.80-3.00. English produce: Apples—per pound, Bramley 0.08-0.18, Cox's 0.12-0.32, Spartan 0.08-0.16, Crispen 0.06-0.12, Laxton 0.08-0.16. Pears—per pound, Conference 0.14-0.28. Potatoes—per bag 2.20-3.00. Mushrooms—per pound, open 0.60-0.70, closed 0.60-0.80. Lettuce—per tray 1.20-2.00. Onions—per 55 lb 2.50-5.00. Cabbages—per 25 lb 1.00-1.80; per 28-30 lb white-red 1.50-2.40.

AMERICAN MARKETS

NEW YORK, April 13.

BECAUSE of the present time difference between the U.S. and Europe, this edition carries American market prices a day late. Normal services will resume on April 26.

NEW YORK

COCOA 10 tonnes; $/tonnes

	Close	High	Low	Prev
May	1710	1710	1660	1693
July	1752	1754	1705	1682
Sept	1775	1776	1735	1712
Dec	1815	1815	1715	1751
March	1840	1840	1808	1784

COFFEE "C" 37,500 lb, cents/lb

	Close	High	Low	Prev
May	121.84	122.85	121.56	122.47
July	122.01	122.90	121.70	122.44
Sept	120.88	121.80	120.80	121.18
Dec	119.72	120.50	119.40	120.29
March	117.63	117.75	117.75	117.63
May	114.88	—	—	114.63
July	111.63	—	—	111.80
Sept	110.88	—	—	110.75

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
April	75.05	75.40	74.95	74.90
May	75.40	76.90	75.05	75.30
June	76.15	—	—	76.05
July	76.90	77.40	76.50	76.75
Sept	78.30	78.75	77.85	78.15
Dec	79.95	80.45	79.55	79.85
Jan	80.50	—	—	80.40
March	81.60	82.10	81.20	81.50
May	82.65	82.55	82.55	82.55
July	83.70	84.10	83.26	83.60

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
May	71.20	71.33	70.70	70.82
July	72.17	72.30	71.55	71.69
Oct	72.05	72.25	71.80	71.70
Dec	72.38	72.50	71.90	71.95
March	73.55	73.90	73.10	73.25
May	73.85	—	—	73.70
July	75.00	—	—	74.70

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
April	432.5	432.5	426.0	431.9
May	434.1	430.0	430.0	433.5
June	437.4	437.8	434.0	437.0
August	444.0	444.3	440.5	443.5
Oct	450.8	450.0	447.5	450.4
Dec	457.9	458.5	454.5	457.5
Feb	465.2	463.0	462.5	464.8
April	472.6	468.5	468.5	472.2
June	480.1	478.0	478.5	479.7
August	487.7	—	—	487.4
Oct	495.6	—	—	495.2
Dec	503.7	502.0	502.0	503.4
Feb	512.2	510.0	510.0	511.5

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
May	80.65	80.80	80.10	81.04
June	79.57	79.95	79.12	80.10
July	79.82	79.90	79.10	80.02
August	80.25	80.50	79.50	80.50
Sept	81.00	81.50	80.45	81.10
Oct	81.70	82.50	81.25	81.90
Nov	82.50	82.40	81.80	82.60
Dec	83.15	83.50	82.65	83.35
Jan	83.25	84.25	83.50	83.60

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
May	114.55	114.90	114.00	114.90
July	113.20	113.70	113.00	113.65
Sept	111.70	112.00	111.50	112.00
Nov	108.25	108.35	108.15	108.45
Jan	103.50	103.75	103.65	103.80
March	103.50	103.75	103.75	103.90
May	103.70	—	—	103.70
July	103.70	—	—	103.85
Sept	103.70	—	—	103.85

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
April	418.4	418.0	413.5	416.7
July	426.4	427.0	420.0	424.7
Oct	433.6	432.5	426.5	431.2
Jan	441.7	442.0	437.0	439.7
April	450.2	446.5	445.6	448.2

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
April	1142.0	1141.0	1141.0	1127.0
May	1146.0	1147.0	1129.0	1132.0
June	1155.2	1152.0	1140.0	1141.2
July	1164.4	1167.8	1147.0	1150.4
Sept	1183.8	1180.0	1166.0	1169.0
Dec	1211.0	1215.0	1193.0	1197.0
Jan	1220.5	—	—	1206.5
March	1239.5	1237.0	1224.0	1225.6
May	1258.5	1242.0	1240.0	1244.5
July	1277.5	1283.0	1270.0	1263.5

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
May	6.73	6.97	6.69	7.03
July	7.18	7.32	7.13	7.41
Sept	7.59	7.67	7.52	7.70
Oct	7.84	7.93	7.73	8.01
March	8.79	8.90	8.72	8.97
May	9.16	9.20	9.07	9.27
July	9.33	9.55	9.30	9.45
Sept	9.61	9.76	9.75	9.73

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
April	73.17	73.70	73.05	73.07
June	70.75	71.16	70.60	70.17
Aug	67.80	67.80	67.25	66.95
Oct	63.27	63.40	62.90	62.75
Dec	63.40	63.40	63.00	62.82
Feb	62.50	62.70	62.30	62.30

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
April	49.20	49.97	49.15	49.82
June	52.62	53.50	52.60	53.25
July	52.82	53.60	52.75	53.42
Aug	49.87	50.70	49.85	50.42
Oct	46.07	46.65	45.95	46.52
Dec	46.40	46.92	46.40	46.70
Feb	48.07	48.45	47.70	48.25
April	46.57	46.70	46.45	46.70
June	47.70	49.25	47.70	49.00

MAIZE 5,000 bu min, cents/56 lb-bushel

	Close	High	Low	Prev
May	315.2	315.5	313.0	313.0
July	320.4	321.0	317.5	318.6
Sept	313.2	313.4	310.2	310.6
Dec	307.2	307.4	303.4	304.0
March	315.4	316.0	312.0	312.2
May	322.0	322.6	319.0	319.0
July	327.0	327.0	324.0	323.8

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
May	75.35	75.90	74.82	75.20
July	73.20	73.72	72.85	73.52
Aug	69.85	70.10	69.45	69.85
Feb	64.72	64.80	64.20	64.52
March	64.50	64.50	64.05	64.40
May	65.70	65.75	65.30	65.80
July	65.10	65.10	64.80	65.10
Aug	62.20	62.20	62.00	62.20

SOYABEANS 5,000 bu min, cents/60 lb-bushel

	Close	High	Low	Prev
May	639.4	641.6	634.0	637.4
July	655.4	658.0	649.4	653.6
Aug	661.4	664.4	657.0	660.2
Sept	668.2	670.4	663.4	667.0
Nov	681.4	683.4	675.2	679.0
Jan	694.4	696.0	688.4	692.4
March	707.4	709.2	701.0	705.4
May	717.0	719.0	713.0	716.4
July	727.4	729.0	722.0	725.4

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
May	189.0	189.3	187.3	188.0
July	192.7	193.2	190.0	191.0
Aug	195.1	195.5	193.0	193.8
Sept	197.3	197.5	195.5	196.0
Oct	199.1	199.5	198.0	198.0
Dec	204.1	204.5	202.7	203.5
Jan	206.0	206.0	204.0	205.5
March	209.8	—	—	210.5
May	213.5	—	—	214.6
July	218.0	218.0	218.0	217.7

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
May	19.04	19.15	18.88	18.96
July	19.48	19.60	19.32	19.40
Aug	19.65	19.74	19.55	19.60
Sept	19.87	19.92	19.70	19.75
Oct	20.07	20.12	19.95	19.95
Dec	20.46	20.50	20.20	20.33
Jan	20.66	20.70	20.52	20.52
March	21.00	21.00	20.80	20.85
July	21.80	21.80	21.80	—

WHEAT 5,000 bu min, cents/60 lb-bushel

	Close	High	Low	Prev
May	349.6	352.2	348.2	351.0
July	361.4	363.4	358.0	361.6
Sept	372.4	374.0	369.0	372.2
Dec	386.0	388.4	383.4	386.0
March	399.2	400.6	396.0	398.8
May	405.0	405.4	403.0	404.4

SPOT PRICES—Chicago loose lard 17.50 (same) cents per pound. Handy and Harman silver bullion 1,128.0 (1,131.5) cents per troy ounce. New York tin 643.0-49.0 (642.0-49.0) cents per pound.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
99	98	Treasury 9½pc '83	99		9.26	9.68
102¼	100	Exch. 13½pc '83	101¾	+	13.25	10.15
99	98	Exch 10pc 1983	99		10.01	10.11
97⅛	96¼	Funding 5½pc '82-84‡‡	97		5.67	9.67
101¼	99½	Exch. 11¼pc 1984	100⅞		11.15	10.09
104½	102½	Exchequer 14pc 1984	103¼	+	15.49	10.31
94	92	Exch. 3pc 1984	94		3.17	7.85
102	100	Treasury 12pc 1984	102	–	11.75	18.32
107	105½	Treasury 15pc 1985	106	–	10.04	10.78
107	101	Exch. 12pc Cnv. '85	104	–	11.54	9.64
90	88	Treasury 3pc 1985	90xd	+	3.31	7.99
102	99	Treasury 11½pc 1985	101	–	11.39	10.97
102	95	Treas. 8¼pc Cnv '85	96	–	9.03	10.20
103½	100	Exch 12¼pc 1985	102	+	11.91	10.93
102	99	Exch. 11½pc '86	102	–	11.52	10.90
88	85	Treasury 3pc 1986	86xd	+	3.46	7.96
27	26	Exch 10pc Cv '86 £25pd	26	–	10.45	10.24
103	100	Treasury 12pc '86	102	–	11.78	11.00
97	94	Treasury 8¾pc '84-86‡‡	95	–	0.94	10.30
112	103	Treas. 12¾pc '86 Cnv	111	–	10.99	8.14
109	105½	Exch 14pc 1986	108xd	–	12.90	11.01
107	103	Exch. 13¼pc 1987	106	–	12.43	11.05
84	82	Exchequer 2½pc 1987	82	–	3.04	7.95
109	95	Exch. 10½pc 1987	98	–	10.63	10.88
99	29	Exch 10½pc 1987A	98	–	10.65	10.94
93	89	Funding 6½pc '85-87‡‡	89xd		7.26	9.69

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked & Variable Rate

Prospective real redemption rate on projected inflation of (1) 10% and (2) 7%.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
99	94¾	Aust. 6pc 1981-83	99	.....	6.20	11.26
78½	74¾	N.Z. 7¼pc 1988-92	77	+¼	9.66	11.75
91¼	87¾	Do. 7½pc '83-86	91¼	.....	8.44	11.79
163	160	S. Rhod. 2½pc Non-Ass.	160	.....	—	—
80	74	Do. 3½pc 80-85 Assd.	77	.....	4.55	15.00
54	44	Do. 4½pc 87-92 Assd.	47	.....	7.54	15.90
390	321	Zimbabwe Ann (£100pd)	321xd	.....	—	20.43

LOANS

Public Board and Ind.

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
77½	72½	Agric. Mt. 5pc '59-89	76½	.....	6.66	10.55
34¾	31¼	Met. Wtr. 3pc 'B'	34¾	+¼	8.84	11.52

LOANS—Continued

Financial

Building Societies

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, H.P. & LEASING

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's	P/E
240	190	ANZ SA1	222	.....	028c	3.1	7.2	4.5
295	273	Alexanders D. £1	284	.....	20.0	—	10.1	—
£93	£66	Algemene Fl. 100	£91	–2	Q26%	♦	7.1	♦
124	98	Allied Irish	124	+2	045.3%	4.0	7.8	4.1
110	77	Arbuthnot L. 50p	90	.....	3.5	—	5.6	—
290	255	Bk. Ireland £1	290	.....	Q29.4%	—	8.7	—
3½	2	Bank Leumi	2½	+½	—	—	—	—
165	130	Bk. Leumi (UK) £1	150	–15	10.15	—	9.7	—

BANKS—Continued

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

1983 High	Low	Stock	Price	+ or –	Div. Net	C'vr	Y'ld Gr's
300	210	Falcon Rh.50c.	250	......	Q25c	10.3	6.4
21	16	Wankie Col. Z$1	20	......	Q5c	ϕ	17.9
20	18	Zam.Cpr.SBD0.24	21	......	—	—	—

Australians

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

NOTES

[illegible]

REGIONAL AND IRISH STOCKS

[illegible]

OPTIONS

3-month Call Rates

Brit. Aerospace	20	Lucas Inds.	12	Samuel Props.	10
B.A.T.	50	"Mams"	12	Town & City	3
Brown (J.)	4	Mrks. & Spncr	16		
Burton Ord.	24	Midland Bank	30	**Oils**	
Cadburys	13	N.E.I.	9	Brit. Petroleum	26
Courtaulds	8	Nat. West. Bank	38	Burmah Oil	12
Debenhams	8½	P & O Dfd.	14	Charterhall	5
Distillers	20	Plessey	50	KCA	0
Dunlop	5½	Racal Elect.	45	Premier	4
Eagle Star	30	R.H.M.	6	Shell	35
F.N.F.C.	4	Rank Org. Ord.	15	Tricentrol	22
Gen. Accident	30	Reed Intnl.	26	Ultramar	42
Gen. Electric	24	Sears	9		
Glaxo	45	T.I.	13	**Mines**	
Grand Met.	25	Tesco	8	Charter Cons.	20
G.U.S. "A"	50	Thorn EMI	38	Cons. Gold	40
Guardian	35	Trusthouse	13	Lonrho	8
G.K.N.	13	Turner & Newall	4	Rio T. Zinc	42
Hawker Sidd.	30	Unilever	65		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 39

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Sterling improves towards the close

Sterling staged a late recovery on the foreign exchanges, helped by news that sellers of spot North Sea Brent oil had raised prices above the official level of $30 a barrel. The closing trade-weighted index figure of 82.4, compared with 82.8, did not reflect the late movement however, with the pound finishing firmer on the day against the dollar and most other major currencies.

A cut of ½ per cent in clearing bank base rates had been expected for some time, and the announcement by National Westminster Bank just before lunch had little impact.

The dollar was little changed, on steady Eurodollar interest rates, despite early rumours about President Reagan's health.

STERLING — Trading range against the dollar in 1983 is 1.6245 to 1.4540. March average 1.4902. Trade-weighted index 82.4 against 82.4 at noon, 82.5 at the opening, 82.8 at the previous close, and 92.8 six months ago. Sterling has climbed steadily on hopes of a period of oil price stability following the acceptance of price proposals by BNOC's major customers.

Sterling opened at $1.5300-1.5310, the lowest level of the day, and rose to a peak of $1.5415-1.5425 in the afternoon, before closing at $1.5400-1.5410, a gain of 40 points on the day. The pound also rose to DM 3.76 from DM 3.75 against the D-mark; to FFr 11.26 from FFr 11.2225 in terms of the French franc; and to Y367.25 from Y366.50 against the yen; while holding steady at SwFr 3.1575 against the Swiss franc.

DOLLAR — Trade-weighted index (Bank of England) 122.7 against 123.8 six months ago. The dollar has been firm during a period of uncertainty about oil prices and the recent upheavals in the EMS. U.S. interest rates have not fallen as once expected, and although better money supply figures have led to renewed hopes, future trends remain rather obscure.

The dollar improved slightly to DM 2.4385 from DM 2.4380 and to FFr 7.31 from FFr 7.3075, but eased to SwFr 2.0490 from SwFr 2.0530; and to Y238.25 from Y238.30.

D-MARK — Trading range against the dollar in 1983 is 2.4950 to 2.3320. March average 2.4102. Trade-weighted index 130.3 against 126.6 six months ago. German economic strength and low inflation compared with many of its neighbours have once again caused strains within the EMS. The latest realignment gives the D-mark room for appreciation as it is currently placed close to the bottom of the system.

The Bundesbank did not intervene when the French franc was fixed at its highest allowed level within the EMS of DM 33.35 per 100 francs for the eighth consecutive trading day. On Wednesday the authorities sold FFr 13.2bn. The Danish krone was fixed at its ceiling of DM 28.165 per 100 krone for the sixth day running, also without intervention by the Bundesbank. The dollar rose to DM 2.44 from DM 2.4256, with the central bank buying $12.7m to smooth the market. Sterling fell to DM 3.7420 from DM 3.7530 at the fixing.

JAPANESE YEN — Trading range against the dollar in 1983 is 242.25 to 226.80. March average 238.20. Trade-weighted index 145.3 against 128.7 six months ago. The yen's weaker performance against the dollar has discouraged the authorities from making the long awaited discount rate cut. A reduction has been called for to stimulate the economy, but may have to wait for lower U.S. interest rates.

Doubts about the direction of U.S. interest rates kept trading within a narow range in Tokyo. The yen eased slightly against the dollar on demand for the U.S. currency from other financial centres, particularly Singapore. The dollar rose to Y238.45 from Y238.00, after opening at Y238.20. It moved within a range of Y238.00 to Y238.65.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 14	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.3662	44.9275	+1.27	+0.47	±1.5430
Danish Krone ...	8.04412	8.01304	−0.39	−1.19	±1.6419
German D-Mark	2.21519	2.25557	+1.82	+1.02	±1.0667
French Franc ...	6.79271	6.76431	−0.42	−1.22	±1.4018
Dutch Guilder ...	2.49587	2.54191	+1.84	+1.04	±1.4941
Irish Punt	0.71705	0.714034	−0.42	−1.22	±1.6676
Italian Lira	1386.78	1342.74	−3.18	−9.18	±4.1463

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Apr. 14	£	$		£ Note Rates
Argentina Peso..	108,297-108,407	70,520-70,570	Austria..........	26.20-26.50
Australia Dollar..	1.7780-1.7770	1.1515-1.1525	Belgium	75.00-75.75
Brazil Cruzeiro ..	663.92-667.22	432.20-433.45	Denmark..........	13.25-13.38
Finland Markka..	8.34-8.35	5.4550-5.4370	France..........	11.16-11.26
Greek Drachma..	126.778-129.975	89.75-83.90	Germany..........	3.73-3.77
Hong Kong Dollar	10.36½-10.38½	6.7600-6.7650	Italy	2200-2235
Iran Rial.........	131.25*	84.90*	Japan..........	365-371
KuwaitDinar(KD)	0.4475-0.4485	0.29165-0.29175	Netherlands..........	4.10-4.22
Luxembourg Fr..	74.80-74.90	48.58-48.60	Norway..........	10.94-11.04
Malaysia Dollar..	3.5400-3.5600	2.3085-2.3115	Portugal..........	147-157
NewZealand Dlr.	2.3395-2.3475	1.5100-1.5215	Spain..........	199.25-214.70
Saudi Arab. Riyal	5.2050-5.3025	3.4510-3.4515	Sweden..........	11.47-11.57
Singapore Dollar	3.2398-3.2525	2.1080-2.1110	Switzerland..........	3.14-3.17
Sth.African Rand	1.6835-1.6870	1.0940-1.0950	United States..........	1.53½-1.54⅛
U.A.E. Dirham....	5.6340-5.6425	3.6720-3.6735	Yugoslavia..........	121-137

*Selling rates.

CURRENCY MOVEMENTS

Apr. 14	Bank of England Index	Morgan Guaranty Change %
Sterling..........	82.4	−37.3
U.S. dollar..........	122.7	+12.1
Canadian dollar..........	90.7	−17.4
Austrian schilling..	191.5	+30.4
Belgian franc	94.3	−1.3
Danish kroner	84.4	−9.8
Deutsche mark..........	190.3	+57.9
Swiss franc..........	151.6	+107.7
Guilder..........	118.2	+99.1
French franc	70.8	−22.9
Lira..........	52.2	−59.2
Yen..........	145.3	+39.2

Based on trade weighted changes from Washington agreement December 1971. Bank of England Index (base average 1975=100).

CURRENCY RATES

April 14	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.705007	0.602399
U.S. $	8½	1.08127	0.985960
Canadian$..........	0.54	*	1.19989
Austria Sch	3¾	18.6211	15.8189
Belgian F	10	55.5551	44.9275
Danish Kr	8½	0.37353	8.01304
D mark	4	2.63830	2.25557
Guilder	3½	2.97349	2.54181
French F..........	9¼	7.01882	6.76431
Lira	17	1570.64	1342.74
Yen	5½	257.613	220.457
Norwgn Kr..........	0	7.74189	6.62294
Spanish Pta	—	147.053	125.722
Swedish Kr	8½	0.12574	6.95432
Swiss Fr	4	2.22030	1.89800
Greek Dr'ch	20½	N/A	77.5295

*C$/SDR rate for April 13: 1.33838.

THE DOLLAR SPOT AND FORWARD

April 14	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5300-1.5425	1.5400-1.5410	0.17-0.12c pm	1.13	0.32-0.27 pm	0.77
Ireland†	1.2915-1.2965	1.2950-1.2960	0.73-0.60c pm	6.16	1.75-1.50 pm	5.02
Canada	1.2330-1.2340	1.2330-1.2335	par-0.03c dis	−0.14	0.03-0.06dis	−0.14
Nethlnd.	2.7465-2.7535	2.7485-2.7505	0.92-0.82c pm	3.79	2.77-2.67 pm	3.97
Belgium	48.54-48.70	48.58-48.60	7-9c dis	−1.98	19-23 dis	−1.73
Denmark	8.6560-8.6730	8.6600-8.6725	2.5-2.9ore dis	−3.74	6.60-7.00dis	−3.14
W. Ger.	2.4345-2.4450	2.4380-2.4390	0.93-0.88pf pm	4.45	2.62-2.57 pm	4.26
Portugal	96.60-96.75	97.75-96.75	250-800c dis	−70.23	460-1450dis	−38.88
Spain	135.85-136.20	136.15-136.20	120-190c dis	−13.67	320-420dis	−10.87
Italy	1,460-1,464	1,460-1,461	8-9lire dis	−7.02	26-27½ dis	−7.36
Norway	7.1520-7.1675	7.1625-7.1675	2.20-2.70ore dis	−4.10	9.80-7.20dis	−3.85
France	7.3000-7.3300	7.3075-7.3125	1.80-2.10c dis	−3.20	7.30-7.80dis	−4.13
Sweden	7.4925-7.5130	7.4950-7.5000	0.80-1.20ore dis	−1.88	2.70-3.10dis	−1.54
Japan	238.05-239.30	238.20-238.30	0.61-0.56y pm	2.95	1.85-1.77 pm	3.04
Austria	17.13½-17.16¾	17.14-17.15	5.90-5.10gro pm	3.85	17.50-15.00pm	3.79
Switz.	2.0465-2.0590	2.0485-2.0495	0.85-0.80c pm	4.83	2.62-2.57 pm	5.06

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 49.10-49.20.

THE POUND SPOT AND FORWARD

April 14	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.5300-1.5425	1.5400-1.5410	0.17-0.12c pm	1.13	0.32-0.27 pm	0.77
Canada	1.8875-1.9010	1.8985-1.8995	0.20-0.10c pm	0.95	0.36-0.26 pm	0.63
Nethlnd.	4.20½-4.24½	4.23¼-4.24¼	1⅝-1⅛c pm	4.00	5-4½ pm	4.48
Belgium	74.40-74.95	74.80-74.90	5-15c dis	−1.60	13-23 dis	−0.96
Denmark	13.27-13.34	13.32½-13.33½	3¾-4⅞ore dis	−3.43	9¾-11 dis	−3.11
Ireland	1.1820-1.1920	1.1880-1.1900	0.53-0.66p dis	−6.00	1.23-1.43dis	−4.47
W. Ger.	3.73½-3.76½	3.75½-3.76½	2-1½pf pm	5.58	4⅞-4½ pm	4.92
Portugal	149.25-151.75	150.50-151.50	365-1370c dis	−68.94	880-2080dis	−38.29
Spain	208.30-209.90	208.85-209.85	160-275c dis	−12.44	460-615dis	−10.15
Italy	2,225-2,237	2,223-2,235	9-12lire dis	−5.64	32-37 dis	−6.17
Norway	10.98-11.03	11.01½-11.02½	2⅞-3⅛ore dis	−3.13	8¼-9⅝ dis	−3.18
France	11.20-11.27	11.25½-11.26½	1⅛-2⅛c dis	−1.86	8½-10½ dis	−3.37
Sweden	11.49-11.57	11.55½-11.53½	½-1⅛ore dis	−0.84	2⅛-3 dis	−0.91
Japan	365½-368½	366½-367½	1.30-1.10y pm	3.92	3.50-3.30 pm	3.70
Austria	26.26-26.50	26.42-26.47	11⅝-9⅞gro pm	4.86	31¾-27½ pm	4.46
Switz.	3.14½-3.17	3.15¼-3.16¼	1⅜-1¼c pm	9.70	4⅞-4¼ pm	5.85

Belgian rate is for convertible francs. Financial franc 75.65-75.75. Six-month forward dollar 0.41-0.36c pm. 12-month 0.50-0.40c pm.

EXCHANGE CROSS RATES

Apr. 14	Pound St'rling	U.S. Dollar	Deutschem'k	JapaneseYen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.541	9.760	367.3	11.26	3.158	4.238	2234.	1.899	74.85
U.S. Dollar	0.640	1.	0.441	238.4	7.309	2.050	2.751	1450.	1.233	48.59
Deutschemark	0.266	0.410	1.	97.67	2.995	0.840	1.127	594.1	0.505	19.91
Japanese Yen 1,000	2.723	4.195	10.24	1000.	30.66	8.598	11.54	6083.	5.171	203.8
French Franc 10	0.888	1.368	3.330	326.2	10.	2.804	3.763	1984.	1.687	66.47
Swiss Franc	0.317	0.488	1.191	116.3	3.566	1.	1.342	707.5	0.601	23.71
Dutch Guilder	0.236	0.364	0.887	86.67	2.657	0.745	1.	527.2	0.448	17.66
Italian Lira 1,000	0.448	0.690	1.685	164.4	5.040	1.413	1.897	1000.	0.850	33.50
Canadian Dollar	0.527	0.811	1.980	193.4	0.920	1.663	2.231	1176.	1.	39.42
Belgian Franc 100	1.336	2.058	5.023	490.6	15.04	4.218	5.661	2985.	2.537	100.

FINANCIAL FUTURES

Gilts depressed

The June gilt contract continued to weaken on the London International Financial Futures Exchange yesterday in less active trading. The price opened at 105-22, near the day's low of 105-20, but improved when National Westminster Bank cut its base rate to 10 per cent around lunch time. The reduction of ½ per cent was generally expected however, and had little impact, although sentiment may have been helped when the other clearing banks came into line in the afternoon. The closing level of 106.00 was only slightly below the peak of 106-02, and lower than the previous close of 106-06.

Three-month sterling deposits were better traded however, recording turnover of 1,067 lots, compared with 425 on Wednesday.

Most activity remained confined to the June month, where the price opened at 90.42, and touched a peak of 90.45, but closed at 90.38, compared with 90.47 previously, reflecting speculation that yesterday's reduction in bank base rates may be the last for some time unless U.S. rates soon move down.

June Eurodollar's rose two basis points to finish at 90.88, underpinned by a slight improvement in Chicago on Wednesday, and in early trading yesterday. Volume was little different from the short sterling interest rate contract, with the June contract opening at 90.89, and trading within a narrow range of 90.84 to 90.90.

Sterling was again the most actively traded currency on Liffe, with activity almost entirely confined to the month of June. It opened at 1.5325, and touched a low at 1.5290, finishing around the middle of the day's range at 1.5330, but weaker than the previous close of 1.5405.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	90.88	90.90	90.84	90.86
Sept	90.62	90.63	90.56	90.58
Dec	90.38	90.39	90.33	90.32
March	90.15	—	—	90.12
June	89.87	—	—	89.90

Volume 989 (1,023)
Previous day's open int. 4,095 (4,127)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
June	90.38	90.45	90.34	90.47
Sept	90.41	90.45	90.37	90.48
Dec	90.42	90.42	90.35	90.45
March	90.32	—	—	90.35
June	90.23	—	—	90.25

Volume 1,067 (425)
Previous day's open int 3,617 (3,677)

20-YEAR 10% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
June	106-00	106-02	105-20	106-06
Sept	105-16	—	—	105-20
Dec	107-16	—	—	107-21
March	107-10	—	—	107-18
June	107-21	—	—	—

Volume 1,190 (2,631)
Previous day's open int 2,127 (2,384)
Basis quote (clean cash price of 15½% Treasury 1998 less equivalent price of near futures contract) 10 to 18 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
June	1.5330	1.5340	1.5290	1.5405
Sept	1.5315	1.5315	1.5282	1.5392
Dec	—	—	—	—

Volume 380 (565)
Previous day's open int 1,055 (963)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
June	0.4122	0.4124	0.4114	0.4125
Sept	0.4167	0.4167	—	0.4175
Dec	—	—	—	—

Volume 32 (78)
Previous day's open int 365 (369)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
June	0.4910	0.4912	0.4891	0.4906
Sept	0.4980	0.4980	0.4980	0.4975
Dec	—	—	—	—

Volume 13 (5)
Previous day's open int 334 (329)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
June	0.4211	0.4212	0.4198	0.4216
Sept	0.4247	0.4247	0.4236	0.4258
Dec	—	—	—	—

Volume 39 (46)
Previous day's open int 373 (381)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	77-29	78-06	77-28	77-30
Sept	77-11	77-19	77-10	77-11
Dec	76-28	77-03	76-27	76-27
March	76-16	76-21	76-10	76-14
June	76-04	76-08	76-03	76-02
Sept	75-26	75-30	75-26	75-24
Dec	75-17	75-21	75-17	75-15
March	75-09	75-12	75-09	75-07
June	—	—	—	—
Sept	—	—	—	—
Dec	—	—	—	—

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	91.84	91.93	91.83	91.85
Sept	91.50	91.60	91.50	91.53
Dec	91.28	91.35	91.28	91.28
March	91.10	91.12	91.06	91.08
June	90.91	90.91	90.89	90.91
Sept	90.70	90.73	90.69	90.72
Dec	—	—	—	90.51
March	—	—	—	90.36

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	91.13	91.22	91.12	91.18
Sept	90.80	90.88	90.79	90.84
Dec	90.55	90.59	90.50	90.54

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	90.57	90.63	90.56	90.60
Sept	90.29	90.36	90.28	90.32
Dec	90.03	90.08	90.02	90.07
Feb	—	—	—	—
March	89.85	89.88	89.84	89.87

STERLING (IMM) Se per £

	Latest	High	Low	Prev
June	1.5390	1.5415	1.5310	1.5385
Sept	1.5400	1.5405	1.5305	1.5375
Dec	1.5340	1.5410	1.5305	1.5370
March	1.5400	1.5410	1.5315	1.5370
June	—	—	—	—
Sept	—	—	—	—

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	71-00	71-06	70-29	70-29
Sept	70-05	70-13	70-03	70-03
Dec	69-19	69-24	69-15	69-15
March	69-30	69-02	68-28	68-29
June	68-14	68-18	68-14	68-13
Sept	68-00	68-01	68-00	67-30
Dec	67-17	67-20	67-17	67-16
March	—	—	—	—
June	—	—	—	—
Sept	—	—	—	—
Dec	—	—	—	—

MONEY MARKETS

Clearing bank base rates cut to 10%

UK clearing bank base lending rates 10 per cent (since April 15 and 18)

National Westminster Bank cut its base rate by ½ per cent to 10 per cent just before lunch yesterday, and was followed by the other clearing banks in the afternoon. Less than half an hour earlier the Bank of England announced a further reduction of up to ½ per cent in its money market dealing rates, after cuts of up to ½ per cent on Wednesday.

Longer fixed period rates were slightly firmer in the morning, with the market appearing somewhat depressed as a result of Wednesday's luke warm reception for the gilt tap stock, a higher than expected Central Government Borrowing Requirement figure for March, and the latest opinion poll showing renewed popularity for the Labour Party.

On the other hand the important seven-day interbank rate had fallen below 10½ per cent for the first time this week. On Monday it was above 11 per cent at one time, but more comfortable day-to-day credit conditions in the last two days have taken the pressure off very short-term rates, giving the banks slightly more room to manoeuvre, and producing the right conditions for the base rate cut.

The Bank of England forecast a money market shortage of £300m, but as on Wednesday revised this to £350m. Bills maturing in official bands coupled with a take up of Treasury bills drained £250m, and the unwinding of repurchase agreements another £252m. These were partly offset by Exchequer transactions adding £250m to liquidity, including £185m from the block grant paid to local authorities.

Total assistance provided by the authorities was £408m. Before lunch the Bank of England bought £269m bills outright by way of £25m Treasury bills in Band 1 (up to 14 days maturity) at 10 3/16 per cent; £95m bank bills in band 1 at 10 3/16-10¼ per cent; £118m bank bills in band 2 (15-33 days) at 10 per cent; £13m local authority bills in band 3 (34-63 days) at 9 15/16 per cent; £17m bank bills in band 3 at 9 15/16 per cent; and £1m bank bills in band 4 (64-84 days) at 9⅞ per cent.

In the afternoon the authorities purchased £61m bank bills in band 1 at 10 3/16 per cent; and £78m bank bills in band 2 at 10 per cent.

LONDON MONEY RATES

Apr. 14 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight..........	—	1-10½	—	—	—	8-10½	1-10	—	—	—
2 days notice	—	—	10½	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	10¼-10½	10⅝	—	—	10⅝	10-10½	—	—	—
One month..........	10⅜-10 3/16	10¼-10⅛	10¼	11-10⅝	10¼	10½	10	10 1/32-10 3/16	10 3/16	10 11/16
Two months	10¼-10⅛	10⅛-10 3/16	10⅛	10¾-10⅝	10¼	10⅜	9⅞	9 15/16-9 31/32	9 15/16	10 9/16
Three months..........	10 3/16-10 1/16	10 3/16-10 1/16	10⅛	10⅝-10¼	10⅛	10 1/16	9¾	9 15/16-9⅞	9⅞	10½
Six months..........	10 1/16-9 15/16	10-10⅛	10-10⅛	10¼-9⅞	10⅛	10¼	—	—	9⅝	10⅛
Nine months	10 1/16-9 15/16	10-10 1/16	10-10 1/16	10⅜-10	10⅛	10¼	—	—	—	—
One year	10 1/16-9 15/16	10-10 1/16	10-10 1/16	10¼-10	10⅛	10⅛	—	—	—	—
Two years	—	—	10⅝-10½	—	—	—	—	—	—	—

ECGD Rate Export Finance Scheme IV Average Rate for interest period March 2 to April 9 1983 (inclusive): 10.974 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 10⅝ per cent; four years 10⅞ per cent; five years 11⅛ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rate for four months bank bills 9 25/32-9 13/16 per cent; four months trade bills 10 11/32 per cent.

Approximate selling rate for one month Treasury bills 9 15/16 per cent; two months 9 27/32 per cent; and three months 9⅝ per cent. Approximate selling rate for one month bank bills 10 per cent; two months 9⅞ per cent and three months 9 25/32 per cent; trade bills 10 7/16 per cent; two months 10 5/16 per cent and three months 10¼ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 11½ per cent from April 1 1983. London and Scottish Clearing Bank Rates for lending 10 per cent. London Deposit Rates for sums at seven days' notice 8¾ per cent.

Treasury Bills: Average tender rates of discount 9.9104 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 10½ per cent; one-three months 10¼ per cent; three-six months 10¼ per cent; six-12 months 10¼ per cent. Under £100,000 10 per cent from April 9. Deposits held under Series 3-5 10¼ per cent. The rates for all deposits withdrawn for cash 8 per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

Apr. 14	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling..........	10¼-10⅜	10¼-10⅜	10⅛-10⅜	10⅛-10¼	10-10⅛	10-10⅛
U.S. Dollar..........	8¾-9	8 13/16-9 1/16	9 8¼	9⅛-9⅜	9¼-9¼	9 3/16-9 13/16
Can. Dollar..........	6¾-7¾	8¼-8¾	9 1/16-9 3/16	9¼-9½	9⅜-9⅝	9 11/16-9 15/16
D. Guilder..........	6-6¼	6-6½	5¼-5⅝	5⅛-5⅝	5 1/16-5 5/16	5 3/16-5 7/16
S. Franc..........	3-3¼	3¼-3½	4 1/16-4 3/16	4 1/16-4 5/16	4 1/16-4 5/16	4⅛-4¼
Deutschm'rk	4¼-4⅝	4⅝-4½	4⅝-4¾	4 11/16-5 1/16	5⅛-5 5/16	5 5/16-5 9/16
Fr'nch Franc	12-12⅝	12-12⅝	12-12⅝	12¼-13⅜	14⅜-14¾	15¾-16⅛
Italian Lira..........	15½-17½	14½-18¼	16½-18½	17-17¾	17⅝-18⅝	17⅝-18⅜
Belg. Franc..........						
Conv..........	10½-10	10¾-11¾	10¾-11½	10¾-11½	11-11½	11-11½
Fin..........	11¼-11¾	10⅛-11⅛	11⅝-11⅞	10⅛-10¾	10⅜-10⅝	10⅜-10⅝
Yen	6⅛-6¼	6¼-6⅝	6 3/16-6 5/16	6¼-6¾	6¼-6⅝	6 3/16-6 7/16
D. Krone..........	19⅞-14¼	19⅝-14	13-13⅝	12¼-12⅝	10⅛-12⅝	12-12⅝
Asia $ (Sing.)	8⅞-9	9-9⅛	8 13/16-8 15/16	8 15/16-9 3/16	9 3/16-9 1/16	9⅛-9⅝

FT LONDON INTERBANK FIXING
(11.00 a.m. APRIL 14)

3 month U.S. dollars		6 months U.S. dollars	
bid 9 1/4	offer 9 3/8	bid 9 5/8	offer 9 1/2

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Prime rate	10½
Fed funds (lunch-time)...	8¾-9
Treasury bills (13-week)	8.12
Treasury bills (26-week)	8.22

GERMANY

Lombard	5.0
Overnight rate	4.85
One month	5.05
Three months	5.20
Six months	5.25

FRANCE

Intervention rate	12.5
Overnight rate	12.25
One month	12.1875
Three months	11.9375
Six months	11.875

JAPAN

Discount rate	5.5
Call (unconditional)	6.28125
Bill discount (3-month)	6.71875

SWITZERLAND

Discount rate	4
Overnight rate	3-4
One month	4⅝-4¾
Three months	4-4⅛

NETHERLANDS

Discount rate	3½
Overnight rate	5¼-5½
One month	5⅛-5⅜
Three months	5⅛-5½
Six months	5⅜-5⅝

$ CERTIFICATES OF DEPOSIT

One month	8.70-8.80
Three months	8.80-8.90
Six months	8.95-9.05
One year	9.20-9.40

LONG TERM EURO $

Two years	10⅜-10½
Three years	10⅝-10⅞
Four years	11-11⅛
Five years	11⅛-11½

SDR LINKED DEPOSITS

One month	8⅜-8½
Three months	8½-8⅝
Six months	8½-8⅞
One year	8⅞-9¼

ECU LINKED DEPOSITS

One month	9 5/16-8 11/16
Three months	8⅝-9
Six months	9 1/16-8 15/16
One year	8 15/16-9 11/16

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA, Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies, as of Wednesday April 13 1983. The exchange rates listed are middle rates between buying and selling rates as quoted between banks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based on, and are not intended to be used as a basis for, particular transactions.

Bank of America NT and SA does not undertake to trade in all listed foreign currencies, and neither Bank of America NT and SA nor the Financial Times assume responsibility for errors.

COUNTRY	CURRENCY	VALUE OF DOLLAR
Afghanistan..........	Afghani (O)	50.60
Albania..........	Lek	6.5288
Algeria	Dinar	4.716
Andorra..........	Fr. Franc	7.2715
	Sp. Peseta	135.10
Angola..........	Kwanza	30.214
Antigua	E. Caribbean $	2.70
Argentina..........	Peso (f)	68635.
Australia	Dollar	1.1522
Austria	Schilling	17.055
Azores..........	Port. Escudo	97.35
Bahamas..........	Dollar	1.00
Bahrain..........	Dinar	0.377
Balearic Is..........	Sp. Peseta	135.10
Bangladesh..........	Taka	24.10
Barbados	Dollar	0.0113
Belgium	Franc (C)	48.31
	Franc (F)	49.00
Belize	Dollar	2.00
Benin..........	C.F.A. Franc	363.575
Bermuda..........	Dollar	1.00
Bhutan..........	Ind. Rupee	0.98
Bolivia..........	Peso (c)	44.00
	Peso (f)	196.00
Botswana..........	Pula	1.065
Brazil	Cruzeiro	425.04
Brunei..........	Dollar	2.1015
Bulgaria..........	Lev	0.965
Burma..........	Kyat	7.593
Burundi..........	Franc	90.00
Cameroun Rp..........	C.F.A. Franc	363.576
Canada	Dollar	1.2329
Canary Is..........	Sp. Peseta	135.10
Cape Verde Is..........	Escudo	62.645
Cayman Is..........	Dollar	0.839
Cen. Af. Rep..........	C.F.A. Franc	363.575
Chad..........	C.F.A. Franc	363.575
Chile	Peso (O)	73.29
China..........	Renminbi Yuan	1.992
Colombia..........	Peso (O)	74.54
Comoros	C.F.A. Franc	363575
CongoP'ple.Rep.of	C.F.A. Franc	363.575
Costa Rica	Colon (O)	40.25
	Colon	40.00
Cuba..........	Peso	0.8555
Cyprus..........	Pound*	1.9486
Czechoslovakia..........	Koruna (O)	6.15
Denmark..........	Krone	8.6107
Djibouti Rp. of	Franc	177.72
Dominica..........	E. Caribbean $	2.70
Domin. Rep..........	Peso	1.00
Ecuador..........	Sucre (O)	42.565
	Sucre (F)	81.40
Egypt	Pound* (O)	1.4286
	Pound* (O)	1.2107
El Salvador	Colon	2.50
Eq'tl Guinea..........	Ekuele	270.20
Ethiopia..........	Birr (O)	2.0487
Faeroe Is..........	Dan. Krone	8.6107
Falkland Is..........	Pound*	1.547
Fiji..........	Dollar	1.0095
Finland	Markka	5.4125
France..........	Franc	7.2715
Fr. C'ty in Af..........	C.F.A. Franc	363.575
Fr. Guiana..........	Franc	7.2715
Fr. Pac. Is..........	C.F.P. Franc	132.209
Gabon..........	C.F.A. Franc	363.575
Gambia..........	Dalasi	2.5857
Germany (E)..........	Ostmark (O)	2.4253
Germany (W)..........	Mark	2.4253
Ghana..........	Cedi	2.75
Gibraltar..........	Pound*	1.547
Greece..........	Drachma	85.85
Greenland..........	Dan. Krone	8.6107
Grenada..........	E. Caribbean $	0.70
Guadaloupe	Franc	7.8716
Guam..........	U.S. $	1.00
Guatemala	Quetzal	1.00
Guinea Bissau..........	Peso	40.5759
Guinea Rep..........	Syli	22.7643
Guyana..........	Dollar	0.9506
Haiti	Gourde	5.00
Honduras Rep..........	Lempira	8.00
Hong Kong	Dollar	6.7453
Hungary..........	Forint	41.6245
Iceland..........	Krona	81.00
India..........	Rupee	0.98
Indonesia..........	Rupiah	970.50
Iran..........	Rial (O)	84.90
Iraq..........	Dinar	0.31
Irish Rep	Punt*	1.3086
Israel..........	Shekel	40.60
Italy..........	Lira	1445.00
Ivory Coast..........	C.F.A. Franc	965.976
Jamaica	Dollar (o)	1.7835
	Dollar (f) (1)	2.70
Japan	Yen	097.57
Jordan..........	Dinar	0.358
Kampuchea..........	Riel	n.a.
Kenya..........	Shilling	12.9647
Kiribati	Aust. Dollar	1.1522
Korea (Nth)..........	Won	0.94
Korea (Sth)..........	Won	764.90
Kuwait	Dinar	0.2921
Lao P'pls D. Rep	Kip	10.00
Lebanon..........	Pound	4.1387
Lesotho..........	Loti	1.0929
Liberia	Dollar	1.00
Libya..........	Dinar	0.2961
Liechtenst'n..........	Sw. Franc	2.0475
Luxembourg	Lux Franc	48.31
Macao..........	Pataca	7.001
Madagascar D. R..	Franc	384.50
Madeira	Port. Escudo	97.95
Malawi	Kwacha	1.1919
Malaysia..........	Ringgit	2.304
Maldive Is..........	Rufiyaa (O)	3.99
	Rufiyaa (M)	7.08
Mali Rp..........	Franc	727.15
Malta..........	Pound*	2.3874
Martinique..........	Franc	727.19
Mauritania	Ouguiya	55.56
Mauritius	Rupee	11.0662
Mexico	Peso(5)	155.50
	Peso (6)(cont'd)	109.74
Miquelon..........	Fr. Franc	7.2715
Monaco..........	Fr. Franc	7.2716
Mongolia..........	Tugrik (O)	3.3566
Montserrat	E. Caribbean $	0.70
Morocco..........	Dirham	0.5563
Mozambique..........	Metica	29.7195
Namibia..........	S.A. Rand	1.0929
Nauru Is..........	Aust. Dollar	1.1528
Nepal..........	Rupee	13.20
Netherlands..........	Guilder	2.7335
Neth. Ant'les	Guilder	1.80
New Zealand..........	Dollar	1.521t
Nicaragua..........	Cordoba	10.05
NigerRp..........	C.F.A. Franc	363.675
Nigeria	Naira (O)	0.7092
Norway	Krone	7.1356
Oman, Sultanate of	Rial	0.3456
Pakistan	Rupee	12.9078
Panama..........	Balboa	1.00
Papua N.G..........	Kina	0.8422
Paraguay	Guarani (o) (2)	126.00
	Guarani (m) (2)	160.00
Peru..........	Sol	1202.61
Philippines	Peso	0.935
Pitcairn Is..........	N.Z. Dollar	1.5211
Poland	Zloty (O)	86.86
Portugal..........	Escudo	97.35
Port Timor..........	Escudo	n.a.
Puerto Rico..........	U.S. $	1.00
Qatar..........	Riyal	3.6397
Reunion Ile de la...	Fr. Franc	7.2715
Romania	Leu (O)	4.47
Rwanda..........	Franc	92.84
St. Christopher..........	E. Caribbean $	2.70
St. Helena..........	Pound*	1.547
St. Lucia..........	E. Caribbean $	2.70
St. Pierre..........	Fr Franc	7.2715
St. Vincent	E. Caribbean $	2.70
Samoa (Western)..........	Tala	1.6487
Samoa (Am.)..........	U.S. $	1.00
San Marino	It. Lira	1445.00
Sao Tome & Principe DR..........	Dobra	41.7256
Saudi Arabia	Riyal	3.451
Senegal..........	C.F.A. Franc	363.575
Seychelles..........	Rupee	6.6716
Sierra Leone	Leone (c) (3)	1.25
	Leone (c) (3)	2.3036
Singapore..........	Dollar	2.1015
Solomon Is..........	Dollar	1.1251
Somali Rep..........	Shilling	15.316
South Africa	Rand	1.0929
Spain..........	Peseta	135.10
Span. Ports in N. Africa..........	Sp. Peseta	135.10
Sri Lanka..........	Rupee	23.95
Sudan Rep..........	Pound*	0.76
Surinam	Guilder	1.785
Swaziland	Lilangeni	1.0929
Sweden	Krone	7.4735
Switzerland..........	Franc	2.0475
Syria..........	Pound	3.925
Taiwan	Dollar (O)	40.03
Tanzania	Shilling	9.55
Thailand..........	Baht	23.00
Togo Rep..........	C.F.A. Franc	363.575
Tonga Is..........	Pa'anga	1.1522
Trinidad & Tobago	Dollar	2.409
Tunisia	Dinar	0.6544
Turkey..........	Lira	204.50
Turks & Caicos..........	U.S. $	1.00
Tuvalu	Aust. Dollar	1.1522
Uganda	Shilling (1st)	117.35
	Shilling (2nd)	277.49
Utd. A'b. Emir..........	Dirham	3.6728
Utd. Kingdom..........	Pound Sterling*	1.547
Upper Volta..........	C.F.A. Franc	363.575
Uruguay..........	Peso	33.275
U.S.S.R.	Rouble	0.7315
Vanuatu	Vatu	117.519
	Aust. Dollar	1.1522
Vatican	Lira	1445.00
Venezuela..........	Bolivar (7)	4.2938
	Bolivar (8)	6.00
	Bolivar (9)	9.40
Vietnam..........	Dong (O)	2.15
Virgin Is. Br..........	U.S. $	1.00
Virgin Is. U.S..........	U.S. $	1.00
Yemen	Rial	4.595
Yemen PDR	Dinar	0.3455
Yugoslavia	Dinar	77.5598
Zaire Rp..........	Zaire	5.8851
Zambia..........	Kwacha (4)	1.1904
Zimbabwe..........	Dollar	0.9709

n.a. Not available. (m) Market rate. * U.S. dollars per National Currency unit. (o) Official rate. (c) Commercial rate. (f) Financial rate. (1) Jamaica two-tier FX rate exists. Comm and Fin. (2) Paraguay operates a two-tier system, o=imports, exports and government transactions, m=all other transactions. (3) Sierra Leone: (o) for essential imports; Commercial fortnightly auction of FX. (4) Zambia: Jan 9 20 per cent devaluation against SDR. (5) Mexico: Freemarket rate. (6) Mexico: Controlled rate covering imports, exports and some debt repayments. (7) Venezuela: three-tier system has developed. This rate is for all essential imports. (8) Venezuela—Non-essential import rate. (9) Venezuela: Floating rate for tourists. (10) Ecuador devalued by 21 per cent.

Authorised Units—continued

Equity & Law Un Tst Mngrs (a) (b) (c)
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Euro Tst Ac	55.2	59.3	....	1.62

Robert Fleming & Co Ltd
8 Crosby Square, EC3A 6AN. 01-283 2400

AmExFd*	£247.84	253.42	....	1.07
JpExFd*	£129.75	133.29	....	1.08

Next Subscription Day April 18 1983.
*Fleming American Property Unit Trust. Last issue price (15/12) US$10.176. Units are issued on Feb 15, May, Aug, Nov.
*Fleming Property Unit Trust. Last issue price (25/3) £2.067. Units are issued on March 25, June 24, Sept 25 & Dec 25.
*Unauthorised.

Hexagon Services Ltd
4 Gt St Helens, London EC3P 3EP. 0708 45322

AustFrsGw	103.9	109.4	....	2.09
Brewin Cap	72.7	76.6	....	3.65
CanGwthFd	89.3	96.1	....	1.10

Lawson Fund Managers Ltd (a) (c) (g)
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Aust & Pac*	7.8	8.3	....	0.70
High Yield ‡	20.4	21.4	....	10.50
Do Accum ‡	20.7	21.7	....	10.50

*Dealing Thurs. ‡Dealing Fri.

MGM Unit Managers Ltd
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High Inc	117.9	125.8xd	+0.3	5.43
(Accm Uts)	119.6	128.5	+0.3	5.45
UK Growth	113.3	121.3xd	+0.4	2.89
Accum Uts	113.9	122.1	+0.4	2.89

MLA Unit Trust Mngmnt Ltd
Old Queen Street, SW1A 9JG. 01-222 8375

MLA Units	167.2	175.5xd	....	2.36
MLA Intl	—	25.0	....	1.00

The Money Market Trust
43 Qn Victoria St, EC4N 4ST. 01-236 0952

Call Fund	—	—	....	10.41
7-Day Fund	—	—	....	10.33

†Unauthorised—Sterling Deposit Fund.

Insurances—continued

Albany Life Assurance Co Ltd
3 Darkes Lane, Potters Bar. 0707 42311

Pension Funds				
EqPenFdAc	570.8	600.9	+2.1	—
Fix I Pen Ac	400.5	421.6	−2.7	—
GtdMoPenAc	236.0	248.3	+0.1	—
IntMnPnAc	228.5	240.8	+2.2	—
NAmPFdAc	120.9	127.2	+2.9	—
Prop Pen Ac	212.4	223.6		—
MplInvPnAc	479.0	504.1	+1.7	—

Commercial Union Group
St Helen's, 1 Undershaft, EC3. 01-283 7500

VarblAcApr 9	—	133.44	....	—
An Uts Apr 15	—	30.92	....	—
Prime Series				
Managed	104.4	109.9	+8.4	—
UK Equity	106.7	112.4	+0.3	—
Intl Equity	102.4	107.9	+0.0	—
Property	96.9	102.1	+0.1	—
Fixed Int	102.6	108.1	−0.5	—
Indx Lnkd Gt	95.4	100.5	....	—
Cash	96.1	101.2	....	—
Hand-in-Hand				
Cash	117.8	124.0	+0.2	—
Fixed Int	135.6	142.9	+0.1	—
Property	135.6	142.2	+0.4	—
NatWest	175.2	184.5	+6.6	—

Henderson Administration
11 Austin Friars, London EC2. 01-588 3622

High Inc	138.2	145.5	+0.7	—
Gilt Edged	99.8	105.1	−1.0	—
Cap Gwth	142.1	149.6	+0.4	—
Technology	152.6	160.7	+2.8	—
Nat Res'ces	117.4	123.6	+0.6	—
Spec Sits	179.3	188.8	+1.6	—
N America	208.8	219.8	+3.8	—
Far East	155.8	164.0	+1.5	—
Property	113.6	118.6	....	—
Managed	174.9	184.2	+2.2	—
Deposit	114.4	120.5	....	—
Prime Res	110.2	116.1	....	—
Pension Funds				
UK Equity	100.9	106.3	+0.3	—
Fixed Int	104.4	109.9	−1.2	—
Spec Sits	105.9	111.5	+1.3	—
N America	104.1	109.6	+2.1	—
Far East	104.0	109.8	+1.4	—
Managed	103.1	108.6	+1.6	—
Comm Propy	96.5	101.6	....	—
Prime Res	96.4	101.6	....	—
Deposit	96.5	101.6	....	—

Capital Unit Prices available on request.

Premium Life Assurance Co. Ltd.
Eastchester Hse, Haywards Hth. 0444 458721

Mkt Ret'urn	103.0	109.0	....	—
Property	135.0	143.0	....	—
UK Equity	83.0	100.0	....	—
Intl Equity	116.0	123.0	....	—

Save & Prosper Group
4 Gt St Helens, London EC3P 3EP. 0708-66966

Gilt Pen Fd	180.4	191.0	−0.9	—
Dep Pen Fd	178.5	189.3	+0.4	—
Gl E- Pen Fd	49.9	52.9	+0.3	—

Skandia Life Assurance Co Ltd
Frobisher Hse, Southampton. 0703 334411

Managed	148.8	156.6	+0.3	—
Equity	164.0	172.6	+0.3	—
Internatl	167.1	175.9	+1.10	—
Nth Amer	103.3	108.3	+1.2	—
Gilt Plus	136.9	143.1	−0.6	—
Property	125.7	132.3	....	—
Deposit	127.8	134.5	....	—
Pens Managd	175.7	184.9	+0.3	—
Pens Equity	190.8	200.8	+0.3	—
Pens Intl	197.4	207.8	+1.30	—
Pens Gilt Pls	160.9	169.4	−0.7	—
Pens Propy	150.5	158.4	....	—
Pens Deposit	153.1	161.4	....	—

For prices of Capital Units and Guaranteed Basic Range, please phone 0703 334411.

Target Life Assurance Co Ltd
Target House, Gatehouse Road, Aylesbury, Bucks. Aylesbury (0296) 5941

U.S. Dollar	—	—	....	3.90
Swiss Franc	—	—	....	7.40
Deutsche Mark	—	—	....	2.00
Yen	—	—	....	3.90

TSB Life Ltd
PO Box 3, Keens House, Andover, Hants. SP10 1PG.

Managed Fd	97.9	103.2	−0.1	—
Property Fd	95.5	100.6	....	—
Fixed Intl Fd	97.4	102.7	−0.3	—
Money Fund	95.3	100.3	....	—
Equity Fund	99.4	104.7	....	—

Offshore and Overseas—continued

CAL Investments (IoM) Limited
18 St Georges St Douglas IoM. 0624 25031

CAL Cm&C	95.0	100.0	....	—
CAL Metal	91.1	95.6	....	—

Dealing days every Monday.

CAL Investments (Bermuda) Limited
PO Box 1022, Hamilton, Bermuda

CAL CTR Fd	98.0	104.0	....	—

Dealing days every Monday.

Manufacturers Hanover Asset Mgt
PO Box 92, St Peter Port, Guernsey. 0481 23961

GeoFdLAI	$104.27	104.48	....	6.39
[illegible]				

Norcap Fund Managers (Bermuda) Ltd
Bk. of Bermuda Bldg., Bermuda. 809 29 5400

Amer Tst [illegible]

Perpetual U.T. Managers (Jersey) Ltd
PO Box 459, St Helier, Jersey. 0534 74817

Rothschild Asset Management (C.I.)
St Julian's Ct, St Peter Pt, Guernsey. 0481 26741

OC International Reserves Ltd [illegible]

Dutch Guilder	Fl49.53
French Frs	FFr155.905
Italian Lire	L36.001
Japanese Yen	Y6,158.84
Singapore $	S$42.22
£ Sterling	£13.907
Swiss Francs	SwFr15.298
U.S. $	$28.535

Daily dealings.
For other Rothschild Offshore Funds see the Offshore and Overseas section.

SCI/Tech SA
2, Boulevard Royal, Luxembourg.

SciTech SA	—	$10.04

Schroder Magt Services (Jersey) Ltd [illegible]

Tyndall-Guardian Management Ltd [illegible]